COULD E-MARKETING BE UTILISED IN THE TASMANIAN ORGANIC GROWERS INDUSTRY?

by

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ABSTRACT

COULD E-MARKETING BE UTILISED
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This research presents an assessment of the potential of e-marketing organic produce through the Internet directly to consumers. The research has been scoped so that;

(a) Research into the potential of marketing organic produce through e-market functions; and

(b) The identification and analysis of current marketing processes for organic produce within Tasmania are identified.

In order to achieve these aims, a number of qualitative research techniques have been utilised under the case study research methodology.

Although using the Internet to sell organic produce directly to consumers may (or may not) be the most efficient and effective method, it is suggested that there are ways in which the Internet could be utilised to expand previously untapped markets for organic produce.

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GLOSSARY

AQIS - Australian Quarantine and Inspection Service. Federal government authority whose mandate is to ensure the quality and correctness of food products, both internally and those for import/export.

B2B - Business to Business. Used in reference to e-commerce transactions.

B2C - Business to Consumer. Used in reference to e-commerce transactions.

BDRI – Bio-Dynamic Research Institute. A main export accreditation body.

BFA – Biological Farmers of Australia. A main export accreditation body

C2C – Consumer to Consumer. Used in reference to e-commerce transactions.

CME – Computer Mediated Environment. An interactive environment in which consumers can interact with the business medium to provide commercially orientated content.

Dot-com. A business that solely operates on the Internet.

E-Business. A company that conducts business on the Internet. This includes businesses that are wholly or partially Internet based.

E-Commerce. Short for electronic commerce; however, typically refers to Internet-based commerce as opposed to EDI (see below).

EDI - Electronic Data Exchange. A legacy industry standard that defines business document exchange.

E-Marketing. The system of providing value-added services that support the transaction of business and e-commerce.

Epistemology. Refers to the assumptions about knowledge and how it can be obtained.

E-tailer. An Internet-based retailer.

IFOAM - International Federation of Organic Agriculture Movements. An international organic agricultural peak organisation that has 527 members organizations in 92 countries.

Legacy System. Any computer system, network hardware or software that has been superseded by a newer technology. In the past, this term referred to mainframe computers; however, it is now applied to products or services that are not the latest commercial version.

Methodology. Controls the study, dictates the acquisition of the data, arranges them in logical relationships, sets up a means of refining raw data, contrives an approach so that the meanings that lie below the surface of those data are manifest, and finally issues a conclusion or series of conclusions that lead to an expansion of knowledge.

NASAA – National Association of Sustainable Agriculture in Australia. A main export accreditation body.

OCT - Organic Coalition of Tasmania. A peak body formed in 2001 to help foster the development of Tasmania's organic industry.

OGFS – Organic Gardening and Farming Society of Tasmania Inc. Established in 1971 as the foundation organic movement in Australia.

OHGA – Organic Herb Growers of Australia Inc. A main export accreditation body.

Ontology. A specification of a concept – a description of the concepts and relationships that can exist for the researcher or community of researchers.

OPAC - Organic Producers Advisory Council. An umbrella body for the organic food industry, chaired by AQIS and includes representatives of various producer organizations, the Federal and State governments and the Australian Consumer Association.

Organic. A process of soil certification that ensures produce is grown using appropriate land management practices without the use of artificial fertilisers, herbicides, pesticides, growth regulators, anti-bionics, hormone stimulants, or intensive livestock systems.

OVAA – Organic Vignerons Association of Australia Inc. A main export accreditation body.

SME – Small to Medium Enterprises. Businesses that have between 5 and 200 employees.

Supply Chain. A classic tiered distribution model that includes some combination of manufacturers, suppliers, distributors, wholesalers and dealers among others.

TOPS - Tasmanian Organic/Biodynamic Producers Society. A main export accreditation body.

Value Chain. A knowledge-enhanced supply chain in which all parties contribute qualitative or quantitative value.

VAN – Value Added Network. A private network that is physically established between companies over leased (dedicated) lines. Historically, large companies have used these because they are inherently secure.

Web – World Wide Web or WWW. A computing environment in which a world wide network of computer users share information over a telecommunication media.

Chapter 1

INTRODUCTION

'Electronic commerce is changing the way business is being conducted. The impact of e-commerce is so pervasive that few organisations, if any, are debating whether or not to participate in e-commerce. Instead they are concerned about how and to what extents to do so' (Zhuang, 1999).

Deighton (1996) in his Harvard Business Review article declared that 'marketing, including that conducted via the WWW, is undergoing a transformation from broadcast marketing, which focuses on markets as large masses, to interactive marketing, where efforts are more customised and responsive to the individual.' Since its inception in 1983, the Internet has been a catalyst for user control (Leiner *et al.*, 2000). No longer can 'marketeers' broadcast a message to a group of people and expect that it will have the intended effect. 'The Internet has created a revolution of users who have come to expect personalised, tailored communications' (gotMarketing, 2000).

Correspondingly, the organic industry is also a newly discovered and vibrant industry, certainly estranged from the traditional ideas of growing 'perishable' produce. The Stevensen and Tabart (1998) report suggests that, to be truly part of this new industry group, one would have to subscribe to a certain 'radical' lifestyle, which would undoubtedly have ramifications on the way the produce itself can (and more importantly should) be marketed.

When dealing with such perishable produce as organic consumables, marketing direct to consumers through the Internet, may not be the most effective approach. The suitability of products for e-Marketing is reliant upon several factors. Pedersen and Thomas (1999) define these factors as 'the amount of information required to satisfactorily describe the product, the degree to which the product can be adequately described, and the amount of time allowable between production and consumption.'

Predominately, agricultural products currently being e-Marketed to the consumer are able to be stored for an extended period of time, for example wine or bull semen. Products such as these are imminently suitable for e-Marketing as viewing the product would not reveal any more information than provided by the product description. 'The "e-Market-ability" of organic produce will necessitate a substantial shift in existing e-Marketing model(s) to accommodate the organic products specific attributes/characteristics. These characteristics include; a limited shelf life before consumption; fragility and control of damage to the product during transport; and the ability to adequately and independently describe the produce quality will need to be considered'(Cox, 2001).

The national Organic industry is a widely diverse industry, thinly dispersed over the Australian continent, and as such it requires a vast amount of resources to adequately survey. The organic growers of Tasmania represent a 'microcosm' of broad acre and niche farmers, similar to their counterparts within the mainland of Australia, but on a smaller scale, making it an ideal place to canvass and test research ideologies. As such, the study of the Tasmanian organic growers' production and marketing trends may assist the organic industry, at a national level, to benefit from research into the application of an e-Marketing model.

Originality:

The topic of e-Marketing has been widely spoken about over the past few years, and there have been numerous works published in this area. Despite an apparent increase in the amount of literature being circulated, it seems little has been committed to paper regarding the sequential process required to establish an e-Marketing system within a business. Only a limited number of studies have been undertaken with the objective of identifying the way in which business can utilize e-Marketing to distribute 'perishable' products and whilst these studies have been insightful in their identification of the issues pertaining to a particular industry or a region, the results have not been directly transferable to the organic products sector.

This research is original in that it attempts to identify factors that may include or preclude the use of an e-Marketing model in the organic products sector. Throughout the discussions with active organic growers and industry participants in Tasmania, it was

discovered that a 'detailed study' of the marketing practices within the organic products industry in Tasmania had not been previously undertaken. Albeit, a non-industry-specific, brief marketing overview was provided by Hassell & Associaties (1990 & 1996), Twyford-Jones & Doolan (2000) and more recently DPIWE (2001).

Objectives:

There are two objectives that the author attempted to achieve throughout the undertaking of this research project. The first objective was to establish a suitable e-Marketing model with which to demonstrate to the Tasmanian organic products sector the concept of e-Marketing, as applied to their industry. The second objective of this study was to successfully identify the factors that may encourage or hinder the incorporation of e-Marketing into the Tasmanian organic products sector.

The successful achievement of the objectives of this research will provide the Tasmanian organic products sector, National organic industry and potential or converting organic produce growers with a series of discussion points related to the e-Marketing of organic or perishable products on the Web.

Research Question:

In accordance with the objectives of this study, a specific research question was developed. This research question, the basis upon which all subsequent data collection and analysis was undertaken is:

Could e-Marketing be Utilised in the Tasmanian Organic Growers Industry?

Method of Research:

The epistemological position adopted by the researcher throughout the undertaking of this study was one of Interpretivism, which has its basis in subjective, people-oriented social research. In accordance with the adoption of the Interpretivist approach, this

research project was undertaken qualitatively. This method of research allowed the utilisation of the field research techniques of data gathering and the bottom-up approach to data analysis.

Summary of following chapters:

Chapter 2: Literature Review

This chapter discusses the literature that was examined by the researcher throughout the initial information gathering phase of this project. This review of the current writings in the area of Marketing, Electronic Commerce, e-Marketing and Organic Produce was the basis upon which the scope of the project and the specific research objectives were developed. This discussion includes:

- Introduction
- Background
- Marketing
- e-Commerce
- e-Marketing
- e-Marketing Models
- CAPSICOM
- Organic Produce
- National Organic Industry
- Tasmanian Organic Industry
- Summary

Chapter 3: Research and Methodologies

Chapter 3 describes the particular design that was utilized during this study along with the precise methodology of data collection and data analysis that was adopted and justification for doing so. This chapter includes:

- Introduction
- Methodology
- Research Epistemology
- Research Ontology
- Research Methods
- Data Gathering Techniques
- Data Analysis
- Validity
- Limitations
- Summary

Chapter 4: Description of an Interview

Chapter 4 identifies the particular businesses and organisations that were chosen to participate in the study, in addition to the provision of two examples of the conducting of an interview, and what they were like from the researcher's perspective. This chapter includes:

- Businesses and Organisations
- Examples of Interviews
- Interview A
- Interview B

Chapter 5: Research Findings

Chapter 5 of this research presents the findings that were obtained throughout the undertaking of the semi-strucutured interviews and the subsequent data analysis process. This chapter includes:

- Introduction
- Core Category #1
- Core Category #2
- Core Category #3
- Summary

Chapter 6: Discussion and Future Research

Chapter 6 discusses the research findings and offers some insight into the application of the research question to the findings. It also contains a further section on future research possibilities.

- Introduction
- Discussion
- Further Issues
- Future Research

Chapter 2

REVIEW OF RELATED LITERATURE

Introduction:

This chapter discusses the literature that was examined by the researcher throughout the initial information gathering phase of this project. This review of the current writings in the area of Marketing, Electronic Commerce, e-Marketing and Organic Produce, both National and Tasmanian, was the basis upon which the scope of the project and the specific research objectives were developed.

Background:

Since its very public release in 1983 (Leiner *et al.*, 2000), the World Wide Web (WWW or Web) has developed a suite of characteristics which differentiate it from 'traditional' commercial communications environments. As the Web presents a fundamentally different environment for marketing activities than traditional media, conventional marketing activities have a need to be 'transformed' as they are often difficult to implement in their present traditional form (Hoffman & Novak, 1996).

The Web is the first (and only current) networked global implementation of a 'hypermedia' CME - Computer Mediated Environment (Hoffman & Novak, 1996). As such, it allows users to provide and interactively access 'hypermedia' content, and to communicate with each other. The Web's '...unique forms of interactivity, "machine interaction" and "person interaction", have contributed to the rapid diffusion of the Web as a commercial medium in the last several years' (Hoffman & Novak, 1995).

The traditional marketing communications model for mass media (eg.Lasswell (1948); Katz & Lazarsfeld (1955)) holds that mass communication is a 'one-to-many' process where a business sends data through a medium to a large group of consumers.

However, underlying all models of mass media, is the fact that there is no interaction present between consumer and business.

The new model underlying marketing communications in a hypermedia CME like the Web, Hoffman and Novak (1995) state, is a 'many-to-many' mediated communications model in which consumers can interact with the medium, business can provide content to the medium, and in the most radical departure from traditional marketing environments, consumers can provide commercially oriented content to the medium. In this mediated model, the primary relationships are not between sender and receiver, but rather with the CME with which they interact. Further, information or content is not merely transmitted from a sender to a receiver, but instead 'mediated environments' are created by participants and then experienced.

Marketing:

Definitions of marketing have increased in length over the ensuing years. The most recent being the Chartered Institute of Marketing's (2000) definition that: 'Marketing is the management process responsible for identifying, anticipating and satisfying consumers' requirements profitably'. An earlier definition by Kotler of "Societal Marketing", applicable to not-for-profit organisations such as charities or schools, holds that 'the organisation's task is to determine the needs, wants, and interests of target markets and to deliver the desired results more effectively and efficiently than competitors, in a way that preserves or enhances the consumer's and the society's well-being' (Kotler, 1994).

This latter definition puts emphasis on identifying the needs of the clients, and on providing a service or product which is of the required quality and in the required quantity. It also brings the 'well-being' of society into the equation, and leaves out the profit motive. Albeit, if an organisation has profitability as one of its objectives, then that will be an important factor when marketing objectives are being drawn up.

A phrase that often appears in marketing is 'exchange relationships'. Exchange, in this context, means 'the provision or transfer of goods, services or ideas, in return for

something of value'(Webber, 1998). Marketing also focuses on developing a close relationship with the businesses' customers. As with many services, a business depends on 'repeat business' in order to make their investment in acquiring a new customer worthwhile. Peters (1995) has described it as 'the relentless pursuit of an almost familial bond between customer and product'.

A good marketing technique is one part of the business that is absolutely essential to its success. In fact, the ability to properly market a product or service is actually more important than the product itself. Regardless of the nature of the business, the managing of the marketing function will demand more creativity and more astute judgment than any other single phase of the business. 'The end purpose of all the businesses activity – eg. inventory accumulation and production – is the accomplishment of those exchange transactions called sales.' (Isidro, 2000)

The marketing activity in any organisation has no beginning or end. Some of the key elements of the marketing process are;

Needs & Wants:

'The starting point for all marketing activity is the need which consumers seek to satisfy'(Palmer, 1994). Need could be defined as: 'a state of felt deprivation in a person' (Kotler, Chandler *et al.,* 1989). Needs can be, and are, very complex. They include basic physiological needs such as food, clothing, warmth and safety, social needs for belonging, influence and affection, and individual needs for knowledge and self-expression. These needs are not created by advertising agencies, but are a basic part of human nature.

The term 'need' refers to something that is deep-rooted in an individual's personality. How an individual seeks to satisfy needs will be conditioned by the society that they are a member. Wants, on the other hand, are 'culturally conditioned by the society in which an individual lives'(Palmer, 1994). Wants subsequently become effective demands for a product where there is both willingness and an ability to pay for the product that will satisfy a particular want (see Figure 1).

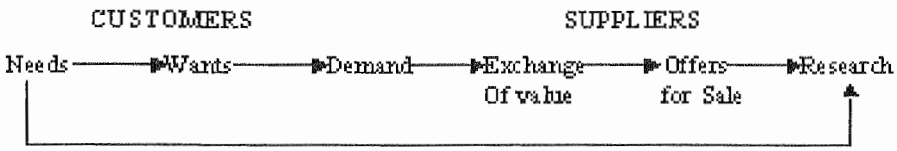

Figure 1: Needs, wants, demand and exchange.
(Adapted from Palmer, 1994)

'As society evolves, the wants of its members expand. They are exposed to more objects that excite their curiosity, interest and desire' (Kotler, Chandler *et al.,* 1989). Producers take specific actions to build desire for their products. They promote their product as a satisfier of one or more particular needs. 'The marketeer does not create the need, it already exists'(Kotler, Chandler *et al.,* 1989).

Demand:

People have almost unlimited wants but limited resources. They choose products that produce the most satisfaction for their money. It could then be said that 'peoples wants become demands when backed by purchasing power'(Kotler, Chandler *et al.,* 1989).

Consumers view products as 'bundles of benefits'(Kotler, Chandler *et al.,* 1989) and choose products that give them the best 'bundle' for their money. People choose the product whose combined attributes deliver the most satisfaction, given their wants and resources.

Exchange:

Goods and services can be acquired in a number of ways. In socialist economies, and for many businesses in Western cultures, goods and services are acquired as a result of centrally planned decisions. For organisations operating in a marketing environment, 'goods are acquired, and needs satisfied, on the basis of exchange'(Palmer, 1994). Exchange implies that one party gives something of value to another. There is a presumption that each party can decide whether or not to enter into an exchange with the other and can choose between numbers of alternative potential partners. Exchange usually takes the form of a product being exchanged for money, although the bartering of goods and services is commonly used in some trading systems.

There is debate among marketeers as to 'whether exchange is an essential element of marketing'(Palmer, 1994). Thus, Oliver (1990) defines marketing as something that 'concerns voluntary, mutual satisfying exchange relationships. Exchange is at the heart of marketing: without exchange, marketing is redundant', while Baker (1979) states that 'marketing is a process of exchange between individuals and /or organisations which is concluded to the mutual benefit and satisfaction of the parties'.

A number of people, including Alderson (1982) have sought to move the defining characteristic of marketing away from the concept of exchange, to a concept of matching. More recently, marketeers have attempted to move 'analysis of exchange transactions away from a series of discrete exchanges towards an on-going relationship'(Palmer, 1994).

Transactions:

In an exchange, one party expects to receive something that they value from another party, in return for which they give something that the other party values. 'If exchange is the core concept of the discipline of marketing, then the discipline's unit of measure is a transaction'(Kotler, Chandler *et al.,* 1989).

A transaction involves at least two things of value: a time of agreement and a place of agreement. Usually, a legal system arises to support and enforce compliance by the transactors. Transactions can easily give rise to conflicts based on misinterpretations or malice. 'Without a law of contracts, people would approach transactions with some distrust and everyone would lose'(Kotler, Chandler *et al.,* 1989). A transaction differs from a transfer, in that in a transfer the initiating party receives nothing explicit in return. Transfers are gifts, subsidies and altruistic acts.

Marketing consists of 'actions undertaken to elicit response from a target audience toward some product'(Kotler, Chandler *et al.,* 1989).

Customers:

Customers provide payment to an organisation in return for the delivery of goods and services and therefore form a focal point for an organisation's marketing activities. The customer is generally understood to be 'the person who makes the decision to purchase a product, and/or pays for it'(Palmer, 1994). Goods are often bought by one person for consumption by another, therefore the customer and consumer need not be the same person. In these circumstances, it can be difficult to identify the focus of an organisation's marketing effort.

The professional nature of the business/customer relationship is often reflected in the names used to describe customers – 'the term 'patient' implies a caring relationship, 'passenger' an on-going responsibility for the safety of the customer, and 'client' that the relationship is governed by a code of ethics (formal or informal)'(Palmer, 1994).

Markets:

The term market has traditionally referred to 'a place where buyers and sellers gather to exchange goods and services'(Collins, 1995). Economists redefine this to include the abstract concept of the interaction of buyers and sellers. For marketeers, 'market' is more commonly confined to describing characteristics of consumers rather than producers.

Customers within a market vary in the needs that they seek to satisfy. To be fully marketing orientated, a company would be required to 'adapt its offering to meet the needs of each individual'(Palmer, 1994). Very few firms can justify aiming to meet the precise needs of each specific individual. Instead they concentrate on small sub-groups within the market, referred to as 'segments'. 'A segment is a subsection of the market comprising customers who share similar needs, to which a company responds with a product offering designed to meet these specific needs'(Palmer, 1994).

Alongside the greater fragmentation of society, technology is increasingly allowing higher specialised services to be tailored to ever-smaller market segments. Using computerisation to expand the scope of the marketing initiative allows many SME's to appear to the world as large, efficient, stable and productive corporations.

However, the main point of all these marketing definitions is that they 'cover the whole marketing cycle, including defining the business mission and market research, and that they focus on the needs of the target market or the individual customer' (Webber, 1998).

e-Commerce – What is it?

What is it that a definition of e-Commerce can do to assist this research? It is something that will guide the research towards consideration of the strategic importance of electronic commerce technologies to the e-Marketing business.

Hoffman (2000) describes e-Commerce as 'a strategy to support the total delivery of products and services to the customer, rather than just another set of tools and technologies.' Whereas, Clarke (2000) very clearly decides 'that 'Electronic commerce' (EC or e-commerce) is an integrative concept, designed to draw together a wide range of business support services, including inter-organisational e-mail; directories; trading support systems for commodities, products, customised products and custom-built goods and services; ordering and logistic support systems; settlement support systems; and management information and statistical reporting systems.'

There are various researchers who use more restrictive terms 'electronic trading' and 'electronic markets', whilst others use broader terms such as 'electronic business'. Some also restrict the scope of EC to procurement; but it is more usefully conceived much more broadly, to include any kind of business-related transaction conducted with the assistance of electronic tools - even telephone and fax.

Zwass (2000) purports that some academics see e-Commerce as spanning a wide array of telecommunications applications that support commercial activities: '...the sharing of business information, maintaining business relationships, and conducting business transactions by means of telecommunications networks; includes not only the buying and selling of goods, but also the various processes within individual organisations which support that goal.'.

A very brief look at the academic view of e-Commerce would need to include a definition from Applegate, Holsapple *et al.* (1996) who defines it as 'more than simply buying and selling goods electronically. [It] involves using network communications technology to engage in a wide range of activities up and down the value-added chain both within and outside the organisation.' Additionally, Kalakota and Whinston (1996) classify e-Commerce as 'a modern business methodology that addresses the needs of organisations, merchants, and consumers to cut costs while improving the quality of goods and services and increasing the speed of service delivery.' The term also applies to the use of computer networks to search and retrieve information in support of human and corporate decision making.

Albeit, the industry focus of e-Commerce tends to be wider in scope, viewing it as the buying and selling goods over the Net. *Communications Week Interactive*, a monthly computer industry electronic magazine, defines it as 'all the marketing and selling and various other business-related activities that take place over a network.' Further, the magazine *Internet Computing*, also has a similar definition in that it labels e-Commerce as 'all the activities you would conduct on-line to interest a customer in your products before the sale, as well as fulfilment and customer support after the sale.'

The global conglomerate General Electric (2000) identifies e-Commerce as 'a business model for prospecting customers, order management, and order fulfilment.' Whereas the Electronic Commerce Resource Centre (ECRC, 2000) defines e-Commerce as 'a process to mould the vast network of small businesses, government agencies, large corporations, and independent contractors into a single community with the ability to communicate with one another seamlessly across any computer platform.'

But the final word must go to what this research defines e-Commerce as: and that is the strategic deployment of computer-mediated business tools and information technologies to satisfy business objectives (ie e-Marketing). As such, e-Commerce offers fundamentally new ways of doing business, rather than mere extensions of existing traditional business practices.

This falls into line with the definition provided by Roger Clarke, principle of Xamas Consultancy, visiting Fellow of the Department of Computer Science, Australian

National University and a leader in the development of e-Commerce in Australia, in which he classifies e-Commerce as 'the general term for the conduct of business with the assistance of telecommunications.'

e-Marketing – What is it?

Internet marketing, or e-Marketing, is incredibly cost-effective, and in today's uncertain economy, cost-effective marketing is mandatory. E-Marketing is immediately measurable in ways that traditional marketing will never be, and today's business cannot afford to make mistakes on a limited budget. 'The Internet is really just another marketing tool, but a very powerful and cost-effective marketing tool with a new set of rules and opportunities'(Hoffman & Novak, 1996).

An internationally acclaimed marketing organisation, gotMarketing®, surveyed its members and asked what e-Marketing meant to them. It received many interesting answers, including 'email', 'marketing on the Internet', 'Web-based marketing', 'online marketing', 'Customer Relationship Management' and 'marketing automation'. These results imply that there is no generally accepted answer to the definition of e-Marketing and proves that there is a lot of confusion in the business marketplace regarding it.

Basically, 'e-Marketing is still marketing: the art and science of crafting and delivering a message that will influence a recipient's behaviour'(gotMarketing, 2000). The 4 P's of e-Marketing (i.e. Personal, Pervasive, Permission and Privacy) are a new way of looking at an age old process that is both a constraint and an opportunity for marketeers trying to take advantage of the Internet's power and reach. ' Similar to the 4 P's of traditional marketing, (i.e. Product, Price, Place and Promotion), the world of e-Marketing has new rules and a new set of P's that overlay the original four'(Godin, 2001).

Personal:

Since its inception in 1983, (Leiner *et al.*, 2000), the Internet has been a catalyst for user control. No longer can marketeers broadcast a message to a group of people and expect that it will have the intended effect. The Internet has created a revolution of users who have 'come to expect personalised, tailored communications' (gotMarketing, 2000).

Internet technology makes personalisation possible by asking users 'what kind of information they want to receive' and automating the process of preparing and delivering customised messages. The promises of 'database marketing' and 'one-to-one marketing' have become realities. "The marketeer must now give people something personally relevant, otherwise it is easy for them to 'tune out' or 'turn off'"(Raisch, 2001).

Pervasive:

Marketing messages can now move virtually at the speed of light, or at least at the speed of the Internet. It's incredibly easy to 'pass on' or 'forward' an interesting email message, banner ad or Web page to hundreds of your closest friends and business contacts. It's a three second investment in time that can have widespread repercussions, as the people who receive the forwarded message may also pass it on. Many analysts attribute the growth of highly successful companies like AOL and Hotmail to this phenomenon. It is referred to as "viral marketing" and it's made possible by the Internet, and 'its very pervasiveness is something marketeers are trying desperately to harness' (gotMarketing, 2000).

Permission:

Permission-based direct email marketing denotes that you only send messages to people who have expressed an interest that they want to receive them. There are different ways to collect these permissions:

- Indirect - using the "Click here if you DON'T want to receive messages" is called opt-out, and although widely used, is negative in operation and often frowned upon by the target customers;
- Direct – using the "Click here if you want to receive messages" and is called opt-in';
- Double opt-in - a double-check. A query goes back to the person who opted-in to ensure that they really did intend to opt-in.

(Points adapted from Griffin (2000)).

People now expect credible vendors to adopt permission-marketing policies. If, as a business, you choose to ignore permission marketing, a significant portion of the people who receive your communications may not be pleased. Unhappy recipients will harm the business's reputation and brand, and the 'cost becomes much greater than any cost associated with setting up a permission marketing system'(gotMarketing, 2000).

The good news about permission marketing is that marketing programs can be much more effective and successful because recipients are more inclined to respond positively to a message they asked to receive. More importantly, 'the business's return on investment (ROI) increases when permission marketing techniques are used' (Griffin, 2000).

Privacy:

Privacy and permission are inextricably linked. 'After finally gaining permission to send messages to customers, this does not mean the business also has permission to give away, rent or sell the names or email addresses. This is a cardinal rule of e-Marketing. People expect and even demand it'(gotMarketing, 2000). In addition to the legal ramifications, which increase daily, nothing is more destructive to a company than bad press. As the age old formulae goes, one unhappy customer tells, on average, 10 people about how unhappy he or she is with a certain company. The fastest way to an unhappy prospect or customer is to violate the permission rules. 'The information received is "precious" and "personal" and is intended for the business's use and that business alone, unless specifically stated otherwise by the recipient'(gotMarketing, 2000).

This current research has identified three methods of delivery of e-Marketing information available to the e-Marketeer: Search Engines and Directories, Banner Advertising and Bulk Email., although the needs and wants of e-Marketing consumers will drive the creation of other forms of delivery.

Search Engines & Directories:

Internet search engines and directories are probably the most popular and effective way to announce the business web site on the Internet. Comparable to the Yellow Pages, its

the most popular way for an Internet user to find what he or she is looking for. Search engines and directories such as Yahoo continue to be some of the heaviest traffic sites on the 'Net'. Given that most of these sites provide free registration and site listings, 'including them in your e-Marketing campaign is the most cost-effective form of Internet advertising available'(LairdNet, Technologies 2001).

There are literally hundreds of sites that can be classified as search engines or directories. Below is a list of Internet addresses used to list a business website in the most popular search engines.

Alta Vista: http://www.altavista.digital.com/av/content/addurl.htm

Excite: http://www.excite.com/Info/add_url.html

HotBot: http://www.hotbot.com/addurl.html

Infoseek: http://www.infoseek.com/AddUrl?pg=DCaddurl.html

Lycos: http://www.lycos.com/addasite.html

Yahoo: http://www.yahoo.com/info/suggest/

WebCrawler: http://www.webcrawler.com/Help/GetListed/AddURL.html

With the popularity of search engines and their importance in the Internet community, many services have sprung up to assist web site owners list their sites. 'These "submission services" provide a simple, usually single step, process for submitting a web site to most search engines and Internet directories'(LairdNet Technologies, 2001).

Banner Advertising:

A popular form of Internet marketing is banner advertising. 'With the high cost to "advertise" on highly popular sites like Yahoo or Excite, several companies have emerged to bring together those web sites who want a more affordable method of banner advertising'(LairdNet Technologies, 2001). These services provide membership in exchange for hosting a banner display section on the business web site. This system results in a large network of low cost 'banner' advertising. Many of these services allow for both free and 'pay-per-display' advertising, appealing to many small web site owners. Most exchanges provide general broadcast advertising while there are some who are working towards providing targeted advertising. Following is a list of the most popular banner exchange services.

LinkExchange: http://www.linkexchange.com

Banner Swap: http://www.bannerswap.com

Click Trade: http://www.clicktrade.com

SmartClicks: http://www.smartclicks.com

I-Store Banner Exchange: http://www.i-stores.com

Bulk Email:

Bulk Email is a popular form of e-Marketing today. Simply put, Bulk Email is the process of sending advertising messages to mass lists of email account holders. Many proponents of bulk email support the use of membership lists only for distribution. A more commonly used form of bulk email is known as 'Spamming'. 'Spamming is the process of sending unsolicited messages to massive lists of email accounts. These lists are usually generated by software programs that scan newsgroups, chat rooms, and online services such as America Online, and Microsoft Network'(LairdNet Technologies, 2001).

These lists can be purchased from many 'so called' Internet advertising agencies. When combined with a bulk email software package, anyone can reach millions of potential users. Recently, Spamming has come under heavy scrutiny because of its misuse. 'It is not uncommon for the average user to receive 10-20 Spam messages a day, clogging up Internet traffic, bogging down mail servers, and wasting recipients valuable time'(Griffin, 2000).

e-Marketing models:

The e-Marketing plan gives the business a road map or a blue print to e-business success. 'The prerequisite to writing a good e-Marketing plan is a complete understanding of the e-business model'(Griffin, 2000). As the e-Marketing plan is developed, the business must consider how the e-Marketing effort 'fits' the business model. Griffin (2000) asserts that at a minimum, the business model will influence the way sales are forecast and e-Marketing expenses are predicted. 'The e-Marketing plan should discuss how the business will use information technologies to manage the marketing mix (product, price, place, and promotion), how to plan to optimise the

content, and how to allocate resources to attract new customers, create loyalty with existing ones and create revenue streams'(Raisch, 2001).

It is also imperative that the marketers define the e-Marketing model before writing the e-business plan. Griffin (2000) defines a series of nine e-Marketing models, which appear below:

Merchant Model:

The Merchant model is web marketing or e-Marketing of wholesale/retail goods and services. The goods and services 'might' be unique to the web or an extension of a traditional 'brick and mortar' storefront. This model includes cataloguers who have decided to complement their catalogue operation with a web site or to migrate completely to an online model. Benefits of this model include; increased demand for goods and services via entry into the global market; potential lower costs of promotion and sales; 24/7 ordering and customer service; and one-to-one custom marketing.

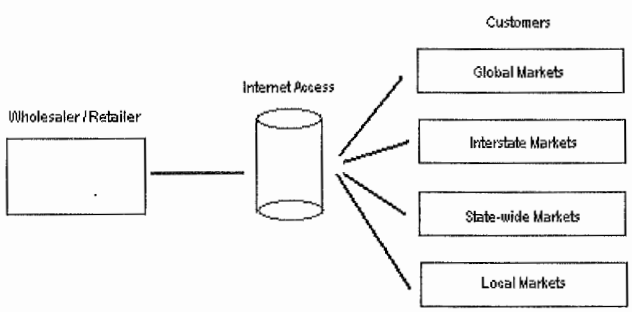

Figure 2: Merchant e-Marketing Model

Auction Model:

The Auction model is the web implementation of 'bidding' mechanisms, through multimedia presentation of goods and services. Revenue streams are derived from the licensing of the auction technology platform, transaction fees, and advertising.

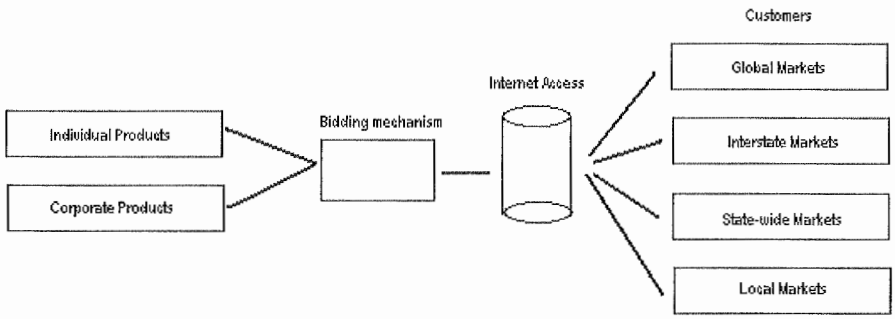

Figure 3: Auction e-Marketing Model

Manufacturer Model:

The Manufacturer model uses the web to compress the 'distribution channel'(Kotler, 1994) so that rather than use intermediaries to get the products and services to market, the business can go direct to the customer via the web. For example, Dell Computer Corporation, maker of personal computer systems, uses this model by selling direct to consumers via their web site. About 50 percent of Dell's sales are Web-enabled (www.dell.com).

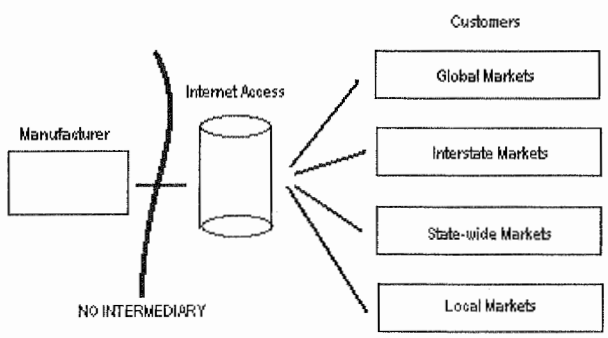

Figure 4: Manufacturer e-Marketing Model

Affiliate Model:

The Affiliate model is a 'pay for performance' model. Revenue streams are created when customers click through links or banner ads to purchase goods and services. Affiliate marketing is when one web site (the affiliate) promotes another web site's products or services (the merchant) in exchange for a commission. The affiliate earns a commission (i.e., 10% of the purchase) while the merchant derives a sale from a more popular or affiliate (partner) web site. (Griffin, 2000).

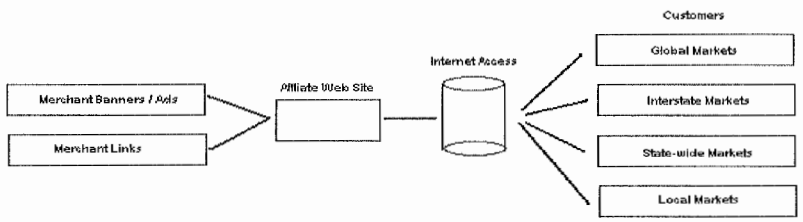

Figure 5: Affiliate e-Marketing Model

Advertising Model:

Like a traditional broadcaster or news media business models, the web Advertising model provides content and services (i.e., email, chat, forums, auctions, etc) supported by banner ads and other forms of online advertising (perhaps email newsletter ads). Some advertising models are called portals (i.e. AOL, Yahoo, and AltaVista) while others are called "Free Models" like Blue Mountain Arts (www.bluemountain.com) where giveaways (i.e. free electronic greeting cards and invitations) help create high volume

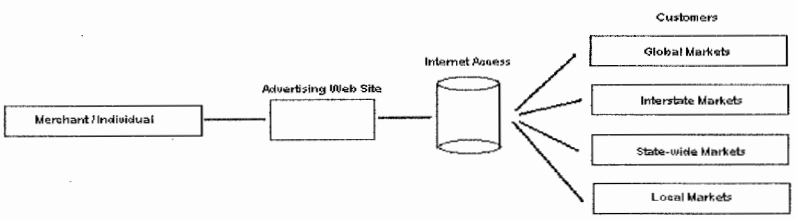

Figure 6: Advertising e-Marketing Model

Infomediary Model:

This is a web model whereby the Infomediary collects data from users and sells the information to other businesses. Traffic is driven to the infomediary's site by free offers (such as free Internet access or free hardware)

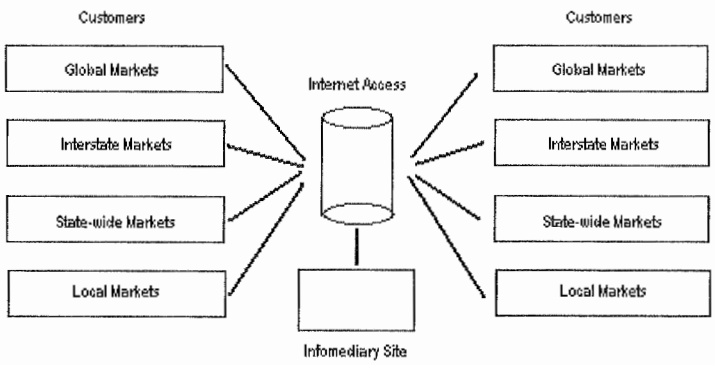

Figure 7: Infomediary e-Marketing Model

Subscription Model:

In a Subscription model, users pay for access to the site and the high value content that they view. Some models offer free content with premium content available only to paid subscribers. Advertising revenues may also be part of the revenue stream.

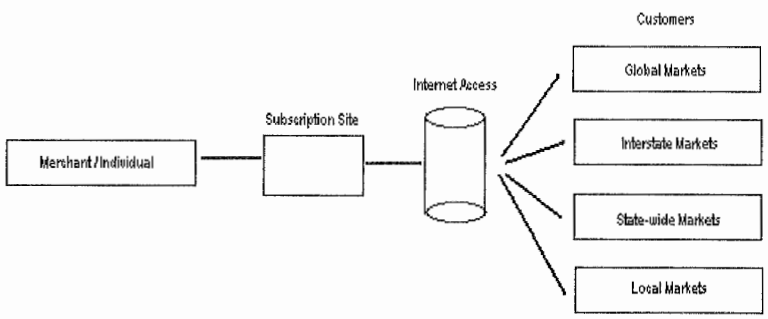

Figure 8: Subscription e-Marketing Model

Brokerage Model:

A Brokerage model is a web market maker that brings buyers and sellers together. The model ranges from virtual malls to online stock and bond traders and can include business-to-business (B2B), business-to-consumer (B2C), and consumer-to-consumer (C2C). Transaction fees or commissions generate the revenue under this model.

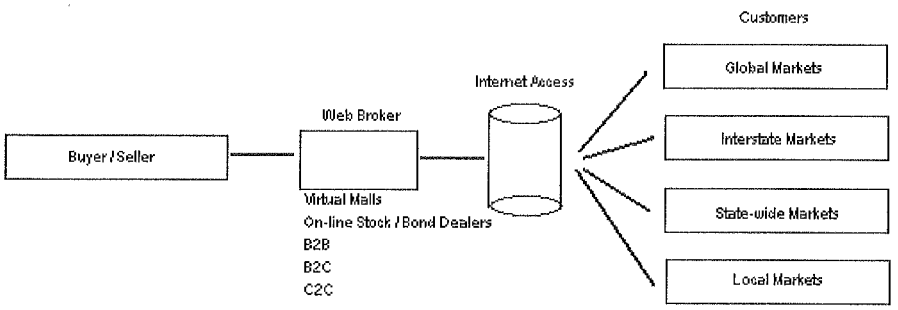

Figure 9: Brokerage e-Marketing Model

Virtual Communities Model:

The Virtual Communities' model facilitates the online interaction of a community of users (members, customers, partners, students, etc). The model makes it easy for the community members to add their own content to the online community web site. Revenue streams are generated from membership fees and advertising revenue.

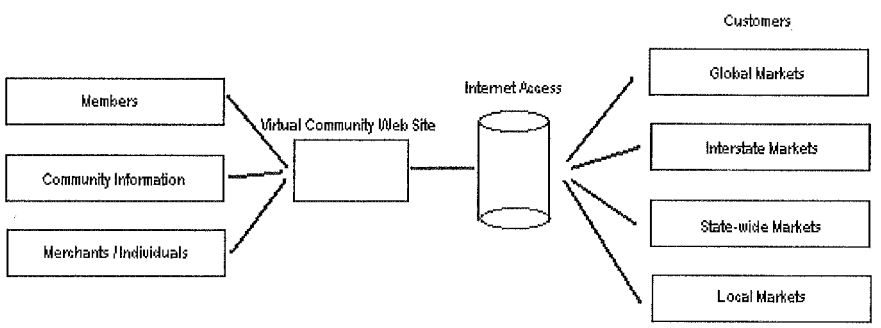

Figure 10: Virtual Community e-Marketing Model

CAPSICOM: An e-Marketing System.

In 1995, a presentation was made by Alan Roberts (Roberts, 1995) to the Sixth Conference of the Australasian Council of Tree and Nut Crops (ACOTANC-95) in Lismore, New South Wales. The presentation concerned an innovative e-Marketing system, based on the manufacturer model, for organic produce called 'CAPSICOM'. CAPSICOM or Computer Advertised Produce Sales In Clean Organic Merchandise is based on a host computer in which growers' store information about the details of their organic crops.

Roberts (1995) describes the operation of the proposed e-Marketing system as a simple menu driven program in which the user first selects the category of produce (i.e. Fruit, Vegetables, Herbs, Spices, Bush foods, Flowers, Nuts, Seeds, Processed goods, Timber, Fungi), and then identifies the type of produce. The system subsequently provides a form into which the user enters the details of their crop (i.e. estimated qty, harvest date, etc). If there is more than one crop, this process is repeated until all the crops are detailed. The program then requests a security code. Only when CAPSICOM receives the correct security code will the growers' details be relayed to the host computer. CAPSICOM assigns a unique line number to each of the relayed crops details whilst entering them in the correct section of each database. Each data line consists of:- Line number, Fruit type, Variety, Certifier + Level, Grower, Price/Kg @ farm gate, Harvest Date, Harvest Period, Estimated Quantity, Quantity Sold, and Quantity Sales Pending. Grower and Certifier details are automatically appended to each communication, as well as an optional message that may relate to transport or a more detailed description of the produce, for example.

Buyers who join the scheme, Roberts affirmed, use the same CAPSICOM program but without the facility to advertise crops. It is possible for them to 'down load' those parts of the data base that interest them specifically, select any of the produce they wish to purchase and specify the quantity required. Again, after entering their security code, the requests, including buyer details and any messages, are relayed to the host computer, where they are stored in the 'sales pending' section.

These 'sales pending' requests are processed in one of the following ways. The grower can: -

a) Automatically accept predefined buyers;
b) Automatically accept buyers in certain areas;
c) Accept or reject offers after a review of transport, conditions of sale, etc.; or
d) Renegotiate directly with the buyer.

Whatever the case, CAPSICOM contacts the grower to inform them of the 'pending' transaction and keeps a record for each grower. As the recorded transactions are business dealings involving 'real money for real produce', growers specify whether (and when) they require deposits, and the required payment arrangements. CAPSICOM keeps a log of transactions and, should the transaction fail, any reasons for that failure.

Other aspects of the CAPSICOM e-Marketing system allow crop details to be entered as soon as the crop is planted. This, Roberts assures, assists the grower to see what is 'coming onto' the market and enables the grower to plan as to avoid gluts or make arrangements to process excess produce. Buyers who cannot find a particular crop in the produce file can lodge their requests into a 'Wanted File' section of the database. Additionally, buyers searching to source large quantities of a particular produce or unusual produce can lodge their requests in a 'Contract Growing' section. CAPSICOM enables the stored data to be manipulated to find information on such things as: -

a) What other products a particular grower can provide;
b) A list of all the produce of a particular kind (eg. green leafy vegetables, root crops, edible flowers etc.).
c) The growers in a particular area and/or with a particular product;
d) The produce available along a particular transport route.

CAPSICOM additionally stores farm details such as organic fertilizers, organic pesticides, irrigation equipment, fencing, machinery, tools, mulch and animal fodder. Roberts concluded that it would be kept up to date by the suppliers and manufacturers of the products. Further, the system aims to keep people informed about local agricultural events, organic information, conference proceedings (if available), and provide a section for people who have helpful, topical observations or desperate questions. Monthly reports on produce sales imports and exports are also intended.

Organic Produce –What is it?

Organic produce is that which is grown using appropriate land management practices without the use of artificial fertilisers, herbicides, pesticides, growth regulators, anti-bionics, hormone stimulants, or intensive livestock systems. Certified organic farms have been farming in adherence to the principles of the verification organisation for at least three years. 'A dynamic, sustainable ecosystem must have been achieved to receive this status' (Twyford-Jones & Doolan, 2000).

Organic Producers Advisory Council or OPAC, (OFA, 2001), has produced a widely accepted definition of organic farming:

> *Organic Farming means produced in soils of enhanced biological activity, determined by the humus level, crumb structure and feeder root development, such that plants are fed through the soil ecosystem and not primarily through soluble fertilisers added to the soil. Plants grown in organic systems take up nutrients that are released slowly from humus colloids, at a rate governed by warmth. In this system, the metabolism of the plant and its ability to assimilate nutrients is not overstressed by excessive uptake of soluble salts in the soil water (such as nitrates). Organic farming systems rely to the maximum extent feasible upon crop rotations, crop residues, animal manures, mechanical cultivation, approved mineral-bearing rocks and aspects of biological pest control to maintain soil productivity and tilth, to supply plant nutrients and to control insects, weeds and other pests.*

Organic [produce] is established worldwide and in many countries, with locally based organic production regulated by government and non-government certification organisations. The industry's peak international, non-government organisation is IFOAM, the International Federation of Organic Agriculture Movements, established some 26 years ago (1975) and with a General Secretariat based in Germany. 'IFOAM has 527 member organisations in 92 countries, including 58 in Germany, 22 in the United States, 13 in Argentina, 5 in Australia, 4 in New Zealand, and 1 in Israel'(IFOAM, 2001).

The main export accreditation bodies in Australia are; Biological Farmers of Australia (BFA), the National Association of Sustainable Agriculture Australia (NASAA), the Bio Dynamic Research Institute (BDRI), Organic Herb Growers of Australia Inc. (OHGA) and the Organic Vignerons Association of Australia Inc. (OVAA), (Ausstat, 2000).

The growth in the organic food market is due to a number of factors, in particular concerns over food safety and methods of production that may cause harm to the environment or animals. Twyford-Jones and Doolan (2000) report that '...the consumption of food which is certified or marketed as 'organic' appears to be a trend that runs in parallel with economic development and income growth'.

Organic farming has been in existence since man began utilising agricultural practices. Over the years organic methods gave way to 'conventional' methods, characterised by the use of synthetic chemical inputs. However, there is renewed interest in organic farming, and it is being termed by many the 'alternative' method of farming. 'This renewed interest is a direct result of high energy prices, increased fertiliser costs, and concerns about health, pesticide residues and the environmental impacts of chemicals'(Olson, Langley *et al.,* 1982).

Many view organic farming as a primitive, inefficient method but today's organic farmer utilises some of the latest technologies including biological pest controls and advanced mechanisation. In some situations organic farmers may be less vulnerable to natural and economic risks than conventional farmers since their systems are usually more diversified. Some claim, (Hall, Edwards *et al.,* 2000), that the widespread adoption of organic farming methods could result in rural revitalisation, regional self-sufficiency in food production and changes in the existing 'capital-intensive structure of agriculture.'

So just what is Organic Produce? Crosson, Pierre *et al.,* (1988) used a series of points rather than a textual definition to define it. These points give a good summary and explanation of organic produce. They are:

- Organic food production systems are based on farm management practices that replenish and maintain soil fertility by providing optimal conditions for soil biological activity.

- Organic food is food that has been determined by an independent third party certification program to be produced in accordance with a nationally approved list of materials and practices.

- Organic food is documented and verified by an accurate and comprehensive record of the production and handling system.

- Only nationally approved materials have been used on the land and crops for at least three years before harvest.

- Organic food has been grown, harvested, preserved, processed, stored, transported, and marketed in accordance with nationally approved practises and using nationally approved materials.

- Organic food meets all local, state, and federal regulations governing the safety and quality of the food supply.

National Organic Industry:

'In Australia, the umbrella body for the organic food industry is OPAC, the Organic Produce Advisory Committee'(OFA, 2001). OPAC is chaired by AQIS (the Australian Quarantine and Inspection Service) and includes representatives of various producer organisations, the Federal and State Governments and the Australian Consumer Association.

The National Standard for Organic and Bio-Dynamic Produce was adopted by OPAC in March 1997. This standard lays down minimum principles which must be complied with before agricultural products and foods can be placed on the market with labelling which states or implies that they have been produced by organic farming systems.

In the past decade there has been a significant increase in the land area devoted to organic food production in Australia, and between 1990 and 1995 that area doubled. However, only about '1.4 per cent of Australian producers are involved in organic production and the area devoted to such production is probably only about 1.2 per cent of total area farmed'(Twyford-Jones & Doolan, 2000). In 1996, the organic sector in Australia was estimated at $A90 million, plus an additional $A30 million of exports. It is estimated that the potential market within this decade, including exports, could be over $A200 million (StatisticalPackager, 2001).

The market for organic products in other countries varies widely. The major markets are in the highly developed nations of Europe and in the United States, Japan and New Zealand. 'The precise size of the market in these countries is difficult to measure, but generally it appears to account for about 1 per cent of overall food sales from Australia'(StatisticalPackager, 2001). Both the United States and New Zealand have developed significant exports of organics and, as with traditional agricultural products, represent major competitors for Australian organic exporters. Europe and Japan are the main importers of organic products. There is a wide variation in the importance of organics within Europe. Germany and the Scandinavian countries have well developed markets for organic products and in many cases are highly dependent on imported products. 'Even in the United Kingdom, where the market for organic food is less developed, it is estimated that 70 per cent of organics are imported'(Twyford-Jones & Doolan, 2000). The Japanese market for organics has been more clearly defined following the introduction of new guidelines.

In the emerging economies of East Asia the market for organic products appears to be much less significant. In most of these countries, cites Twyford-Jones and Doolan (2000), there are no regulations covering the production or marketing of organic food. Although there may be some small niche opportunities in these countries, the lack of regulations casts doubt on the reliability of products marketed as organic. The major exception is China, where there is a major focus on 'green' food.

Although the organic food markets studied in this research are still relatively small niche markets, there are indications that this is changing. As consumer interest in organic

food grows and organic producers increasingly target mainstream distribution channels, the potential exists for organics to grow into a larger market. 'TradeNZ estimated that the world market for organic produce will exceed $NZ6.2 billion ($A5.8 billion) by the year 2000'(Saunders, Manhire *et al.*, 1997).

Twyford-Jones and Doolan (2000) clearly state that 'organic agriculture in Australia is at a critical point in its development. Organic agriculture has been promoted by individuals and organisations because they believed that organic farming could deliver a better future for farmers and consumers of farm products.' Many claims about the positive effects of organic agriculture have been made, from increased personal well-being to greater profitability and environmental sustainability. Further they conclusively state that worldwide there are recognised problems of quality assurance, product recognition, consumer confusion over logos, certification and trademarks and uncertainty of supply, quality and price. Moreover there is a serious lack of market information and further market access impediments which are affecting industry development. 'The Australian organic food industry needs to recognise these problems and invest in strategies designed to solve them if industry is to capture the growing organics market'(Twyford-Jones & Doolan, 2000).

Evidence suggests that 'both the United States and New Zealand have been more receptive to trends in the international organics market'(Olson, Langley *et al.*, 1982) and have thus established footholds in many of Australia's major export markets. There are many reasons for this, and they extend beyond the organic food industry itself.

In 1990 and again in 1996, Hassall & Associates conducted two separate studies into organic production in Australia (Hassall & Associates, 1990) and (Hassall & Associates, 1996). Hassall estimated that in 1996 about 1 to 2 per cent (approximately 336 000 hectares) of all Australian agricultural land was being organically farmed. This was more than twice as much as in 1990 (Table 1). Hassall and Associates (1996) also stated that it is expected that the growth in the industry will continue to be strong, but not at the exceptional rate of 38 per cent per year experienced to 1995 unless apparent export opportunities are realised.

Table 1: Characteristics of the Organic Farming Industry and Projections to 2005

Australia – Characteristics of the Organic Farming Industry and Projections to 2005					
Item	*Unit*	*1990*	*1995*	*2000*	*2005*
Number of organic producers	number	1 260	1 429	1 657	1 920
Total number of producers	number	160,000	137,397	117,988	101,320
Organic producers as proportion of total	%	0.8	1.0	1.4	1.9
Average organic area per farm	ha	119.4	234.8	329.3	461.8
Total organic area	'000 ha	150	336	546	887
Average organic farm size	ha	295.5	783.2	1 048.1	1 402.6
Total area of organic farms	'000 ha	372	1 119	1 736	2 694
Organic farm area as proportion of total agricultural area	%	0.3	0.8	1.2	1.9

Source: (Hassall and Associates, 1996)

According to the 1996 Hassall study, the greatest number (approximately 75 per cent) of organic producers are in the horticulture industry. Only 12 per cent and 10 per cent of organic producers are in the broad acre and livestock industries respectively. However, the greatest area of organic production is in the broad acre industries. They accounted for 69 per cent of the total organic area while livestock and horticulture accounted for 17 per cent and 8 per cent respectively. Within the fresh produce sector, the main organic products are oranges, apples, bananas, potatoes, carrots, grapes, avocados and broccoli.

The study also indicated that generally the area of organic production represented only about half of the total area being farmed by organic producers. The price premium expected by producers to justify organic production was in the range of 10–50 per cent. The price premium required appears to be higher for fruit, vegetables, poultry, dairy products and fibres and lower for meat, herbs and nuts (Table 2).

Table 2: Actual premiums needed by organic farmers (proportion of respondents)

Australia – Actual premiums needed by organic farmers (proportion of respondents)						
	Premium (%)					
Main product type	0	10–20	20–50	50–100	over 100	% Responses
Dairy	0	50	50	0	0	100
Meat	40	40	10	0	10	83
Poultry	0	25	75	0	0	89
Vegetables	4	51	33	9	3	86
Herbs	24	35	35	2	4	71
Fruit	14	50	33	2	2	87
Nuts/seeds	24	59	12	6	0	94
Grains/cereals	8	44	42	6	0	91
Fibres	9	45	36	9	0	92
Other 1 (tree products)	38	50	0	13	0	62
Other 2 (honey)	50	0	50	0	0	100
Other 3 (mixed)	25	33	42	0	0	89
Other 4 (not specified)	0	50	50	0	0	67
Total	**15**	**45**	**33**	**4**	**2**	**84**

Source: (Hassall and Associates, 1996)

The organic sector in Australia is still small. 'Between 1990 and 1995 the value of organic agricultural production grew from $A28 million to $A80.5 million'(Hassall & Associates,1996). Another source estimated Australia's organic industry at '$A90 million in 1996, with an additional $A30 million of exports'(Saunders, Manhire *et al.*, 1997). Australian imports of organic products in 1996 totalled $A5.2 million.

In 1990 and 1995, surveys were undertaken for the Rural Industries Research and Development Corporation (RIRDC) of the expenditure on organic food in Australian capital cities (Table 3). 'In 1990, the total size of the markets surveyed was estimated at $A28 million per annum, which was equivalent to 0.13 per cent of total retail food sales in these markets or an average expenditure of $A0.05 per head per week'(Hassall & Associates 1990).

Table 3: Summary of Estimated Expenditure on Organic Food in Australian Capital Cities, 1990

Australia – Summary of Estimated Expenditure on Organic Food in Australian Capital Cities, 1990								
	Sydney, Newcastle & W'gong	Melb and Geelong	South East Qld	Perth	Adelaide	Tas.	ACT	Total
	$ Million per annum							
Fruit and vegetables	5.36	7.30	2.45	1.02	1.15	0.33	0.64	18.26
Wholefoods	2.32	3.19	0.47	0.31	0.43	0.25	0.15	7.16
Other	0.82	0.90	0.34	0.56	0.18	0.05	0.03	2.83
Total organic[1]	8.50	11.39	3.26	1.89	1.76	0.63	0.82	28.24
Total all types[2]	8 759	5 667	2 985	1 857	1 737	299	421	21 723
	%							
Organic as proportion of total	0.10	0.20	0.11	0.10	0.10	0.20	0.20	0.13
	Million							
Population[3]	4.25	3.15	1.76	1.12	1.02	0.18	0.30	12.05
	$							
Expenditure per head per week	0.04	0.07	0.03	0.03	0.03	0.03	0.05	0.05

Note: Figures are rounded so totals may not add up

(1) Estimates of Hassall survey of industry operators

(2) Total 1988/1989 retail food expenditure for each state adjusted to selected survey coverage by proportion of state population in selected markets

(3) Resident population estimates in June 1989.

Source: (Hassall and Associates, 1990)

In contrast to the above figures, the Hassall 1996 survey found that sales of organic food products totalled $A80.5 million, which was equivalent to 0.2 per cent of total retail food sales in these markets or an average expenditure of $A0.09 per head per week (Table 4). Organic vegetables and herbs represented the highest production industry (worth $A28.06 million), followed by organic fruit and nut products ($A27.44 million). Victoria had the highest sales ($A30.8 million) followed by New South Wales ($A24.0 million) and Queensland ($A14.5 million).

Table 4: Composition of Organic Industry Retail Sales, 1995 ($A million)

Australia – Composition of Organic Industry Retail Sales, 1995 ($A million)								
Product grouping	QLD	NSW	ACT	VIC	TAS	SA	WA	Total
Livestock products	0.3	5.3	0.06	1.2	0.02	0.2	0.4	7.48
Seeds/grains/cereals	3.2	1.4	0.36	3.1	0.28	0.9	1.2	10.44
Fruit/nuts	4.9	7.9	0.39	11.4	0.35	1.3	1.2	27.44
Vegetables/herbs	6.1	6.7	0.32	11.4	0.24	1.7	1.6	28.06
Tree products, including natural oils	0	2.2	0	0.3	0.01	0	0	2.51
Other	0	0.5	0.07	3.4	0.10	0.3	0.2	4.57
Total organic	**14.5**	**24.0**	**1.2**	**30.8**	**0.99**	**4.4**	**4.6**	**80.49**

Source: (Hassall and Associates, 1996)

As previously indicated, producers expect to achieve price premiums for organics of up to at least 50 per cent. Survey results have indicated that retail premiums are available

and range between 12.5 per cent and 65 per cent, with a mean of around 35 per cent (Table 5).

Table 5: Distribution of Actual Premiums Received by Organic Farmers

Australia – Distribution of Actual Premiums Received by Organic Farmers					
	Premium (%)				
Main product type	0	10-20	20-50	50-100	Over 100
Dairy	0	50	50	0	0
Meat	86	10	5	0	0
Poultry	22	22	33	22	0
Vegetables	20	43	28	6	3
Herbs	33	33	16	9	9
Fruit	26	52	18	2	2
Nuts/seeds	50	38	6	6	0
Grains/cereals	23	44	31	2	0
fibres	33	33	22	0	11
Other 1(tree products)	38	38	25	0	0
Other 2 (honey)	0	50	0	0	50
Other 3 (mixed)	43	26	13	13	4
Other 4 (not specified)	0	0	100	0	0
Total	**30**	**41**	**21**	**5**	**3**

Note: Figures are rounded so totals may not add up
Source: (Hassall and Associates, 1996)

Tasmanian Organic Industry:

Tasmanian organic farmers first initiated public awareness of the importance of organic agriculture with the formation of the Organic Gardening and Farming Society (OGFS of Tasmanian Incorporated) in 1971, establishing within the state the foundation organic movement in Australia.

While the OGFS continues to promote organic home gardening, Stevensen and Tabart (1998) notes that the 'organic farming 'mantle' has largely been assumed by the five certifying bodies which are active in Tasmania: Bio Dynamic Research Institute, Biological Farmers of Australia, National Association of Sustainable Agriculture (Australia), Organic Herb Growers of Australia, and the Tasmanian Organic-Dynamic Producers Co-operative.'

Recently, writes Whitten (2001), 'in order to help foster the development of Tasmania's organic industry, a number of organisations with an involvement in commercial organic production in Tasmania have come together to form a peak body to be known as the

Organic Coalition of Tasmania (OCT).' Previous to this, the organic industry in Tasmania was perceived as being fragmented, and it was difficult for people to know who to talk to and how many farmers they represented. Further, 'OCT does not intend to broach certification issues which it is felt are more appropriately dealt with on a national level'(Whitten, 2001).

Over a three year period 1995 to 1998, two Tasmanian researchers, Stevensen and Tabart, conducted an intensive research into the practice of organic farming, initiated by the Tasmanian Organic-Dynamic Producers Co-operative (TOPS) and funded by the National Landcare Program. Prior to this project, Stevensen and Tabart report that 'little had been achieved to characterise the industry in Tasmania, apart from a study by Hardy (1989) which presented a broad overview of the industry and initiated a limited feasibility study of organic horticulture (mainly orchard production)'.

Further, the Stevensen and Tabart (1998) report notes that a thorough review of all studies involving organic farms in Australia is given by Derrick (1997) and of these studies, those with direct relevance to Tasmania are the high rainfall, dairy farm comparative studies by Reganold *et al.* (1993), and Small *et al.* (1994), the vegetable study by Wells (1996) and the most recent market surveys by Hassall and Associates, 1990 & 1996 and Twyford-Jones and Doolan, 2000.

It was estimated, states the Stevensen and Tabart (1998) report, that 'over 90% of the organic industry in Tasmania (on a numerical basis) was represented in the research project. A total of 61 properties were visited, distributed 'fairly evenly' between the Northern districts and the Derwent/Huon valleys in the South.' The report broke these properties into three categories:

Table 6: Property Classifications

Property Classifications		
Category	Description	Number
A	Commercial	21
B	Semi-commercial	29
C	Hobby/Lifestyle Farm	11

Source: adapted from (Stevensen & Tabart 1998)

On average, the 50 commercial/semi-commercial farms contacted had been organically managed for eight years (range: 1- 30 years). However, only 28 of the properties surveyed were certified as 'organic' with one of the recognised certifications bodies. Stevensen and Tabart then surveyed the five certification bodies operating in the State in May 1998 (Table 7). The report also notes that during the research six farms ceased operating.

Table 7: Certification Bodies

Certification Bodies		
Category	Description	Number
A	Certified Grower	47
B	Certified Processor	3
C	Certified Retailer/Wholesaler	2

Source: adapted from (Stevensen & Tabart 1998)

Additionally, the Stevensen and Tabart (1998) report collated the enterprise type distribution within the organics industry in Tasmania (Table 8).

Table 8: Organic Enterprise Types

Organic Enterprise Types			
Type	Number	Type	Number
Apples	5	Eucalyptus seedlings	1
Beef	20	Grapes	1
Berries	5	Herbs	13
Broadacre Potatoes	1	Honey	1
Cereals	1	Vegetables	23
Dairy	5	Poultry	1
Flowers	1	Olives	1

Source: adapted from (Stevensen & Tabart 1998)

As a part of their research effort, Stevensen and Tabart conducted a grower survey of all participating organic growers during 1988. The purpose of the questionnaire was;

- To discover how organic farmers get information about organic farming, and how they view the adequacy of that information;
- To determine areas organic farmers see as priorities for further research;
- To compile a list of trials/research being carried out on organic products; and
- To survey attitudes to various issues.

The results of the grower survey were collated from the 25 responses returned from the 50 mailed. Producers were asked to rank information sources from 1 – 10 in order of importance and to indicate those sources they did not utilise at all. In addition, the growers were asked in which way they preferred to gather information, if a choice was available. The Stevensen and Tabart (1998) report specified that 'a small percentage (approx. 12%) of the respondents indicated that they preferred to depend on their own knowledge and observations, whilst a larger percentage (approx. 36%) preferred communication with other organic producers.' The report also noted that about half of the respondents were not satisfied with the available information relating to marketing in Tasmania, the Australian mainland and International arenas (Table 9).

Table 9: Adequacy of Information on Marketing for Organic Farming

Adequacy of Information on Marketing for Organic Farming			
	(%age of farmers)		
Topic:	Excellent	Adequate	Inadequate
In Tasmania	4	40	52
On Mainland	0	40	52
International	0	16	60

Source: adapted from (Stevensen & Tabart 1998)

The Stevensen and Tabart (1998) report went on further to tabulate the results of organic farmer attitudes to a series of questions ranging through organic principles and practices, the involvement of government and the business sector in the reduction of organic standards to whether organic farmers should (or should not) export overseas. Only 20% of the respondents agreed that organic farmers should not export, with 16%

remaining undecided. The majority, 64%, responded that Tasmanian organic farmers should be involved in export to overseas markets.

Summary of Literature Findings:

- 'Marketing consists of actions undertaken to elicit response from a target audience toward some product'(Kotler, Chandler *et al.*, 1989).
- The term market has traditionally referred to 'a place where buyers and sellers gather to exchange goods and services'(Collins, 1995). 'Customers within a market vary in the needs that they seek to satisfy.' (Palmer, 1994)
- 'The main point of all the current marketing definitions is that they cover the whole marketing cycle, including defining the business mission and market research, and that they focus on the needs of the target market or the individual customer'(Webber, 1998).
- Hoffman (2000) decides 'the best definition to view e-Commerce is as a strategy to support the total delivery of products and services to the customer, rather than just another set of tools and technologies.'
- 'Internet marketing, or e-Marketing, is incredibly cost-effective, and in today's uncertain economy, cost-effective marketing is mandatory. E-Marketing is immediately measurable in ways that traditional marketing will never be and today's business cannot afford to make mistakes on a limited budget.' (Hoffman and Novak, 1996)
- 'The Internet is really just another marketing tool, but a very powerful and cost-effective marketing tool with a new set of rules and opportunities'(Hoffman & Novak, 1996).
- 'The e-Marketing plan gives [the business] a road map or a blue print to e-Business success. The prerequisite to writing a good e-Marketing plan is a complete understanding of the e-Business model'(Griffin, 2000).
- 'As the e-Marketing plan is developed the business must consider how the e-Marketing effort 'fits' the business model. It is also imperative that the

marketers define the e-Marketing model before writing the e-business plan.' (Griffin, 2000)

- Griffin(2000) defines a series of nine e-Marketing models: Merchant; Auction; Manufacturer; Affiliate; Advertising; Infomediary; Subscription; Brokerage; and Virtual.

- Roberts (1995) conceived an innovative e-Marketing system, based on the manufacturer model, for organic produce called 'CAPSICOM'. CAPSICOM or Computer Advertised Produce Sales In Clean Organic Merchandise, is based on a host computer in which growers store information on the details of their organic crops.

- Organic Producers Advisory Council or OPAC, (OFA, 2001), has produced a widely accepted definition of organic farming:

  Organic Farming means produced in soils of enhanced biological activity, determined by the humus level, crumb structure and feeder root development, such that plants are fed through the soil ecosystem and not primarily through soluble fertilisers added to the soil. Plants grown in organic systems take up nutrients that are released slowly from humus colloids, at a rate governed by warmth. In this system, the metabolism of the plant and its ability to assimilate nutrients is not overstressed by excessive uptake of soluble salts in the soil water (such as nitrates). Organic farming systems rely to the maximum extent feasible upon crop rotations, crop residues, animal manures, mechanical cultivation, approved mineral-bearing rocks and aspects of biological pest control to maintain soil productivity and tilth, to supply plant nutrients and to control insects, weeds and other pests.

- 'Organic [produce] is established worldwide and in many countries, locally based organic production is regulated by government and non-government certification organisations.' (IFOAM, 2001)

- 'Organic farming has been in existence since man began utilising agricultural practices, and are production systems based on farm management practices that replenish and maintain soil fertility by providing optimal conditions for soil biological activity.'(Olson *et al.*, 1982)

- 'In Australia, the umbrella body for the organic food industry is OPAC (the Organic Produce Advisory Committee)'(OFA, 2001).
- 'The market for organic products in other countries varies widely. Europe and Japan are the main importers of organic products. Germany and the Scandinavian countries have well developed markets for organic products and in many cases are highly dependent on imported products.'(StatisticalPackager, 2001)
- 'Even in the United Kingdom, where the market for organic food is less developed, it is estimated that 70 per cent of organics are imported'(Twyford-Jones & Doolan, 2000).
- 'As consumer interest in organic food grows and organic producers increasingly target mainstream distribution channels, the potential exists for organics to grow into a larger market.'(Saunders et al., 1997)
- 'TradeNZ estimated that the world market for organic produce will exceed $NZ6.2 billion ($A5.8 billion) by the year 2000.'(Saunders, Manhire *et al.*, 1997).
- 'There is a serious lack of market information and further market access impediments which are affecting industry development. The Australian organic food industry needs to recognise these problems and invest in strategies needed to solve them if industry is to capture the growing organics market' (Twyford-Jones & Doolan, 2000).
- In 1990 and again in 1996, population research firm Hassall and Associates conducted two separate studies into organic production in Australia (Hassall & Associates, 1990) and (Hassall & Associates, 1996).
- 'Only 12 per cent and 10 per cent of organic producers are in the broad acre and livestock industries respectively. However, the greatest area of organic production is in the broad acre industries.'(Hassall & Associates, 1996)
- 'The price premium expected by producers to justify organic production was in the range of 10–50 per cent.' (Hassall & Associates, 1996)

- 'Organic vegetables and herbs represented the highest production industry (worth $A28.06 million), followed by organic fruit and nut products ($A27.44 million).'(Hassall & Associates, 1990)
- 'Tasmanian organic farmers first initiated public awareness of the importance of organic agriculture with the formation of the Organic Gardening and Farming Society (OGFS of Tasmanian Incorporated) in 1971, establishing within the State the foundation organic movement in Australia.'(Stevensen & Tabart, 1998)
- 'While the OGFS continues to promote organic home gardening, the organic farming "mantle" has largely been assumed by the five certifying bodies which are active in Tasmanian: Bio Dynamic Research Institute; Biological Farmers of Australia; National Association of Sustainable Agriculture (Australia); Organic Herb Growers of Australia; and the Tasmanian Organic-Dynamic Producers Co-operative.'(Stevensen & Tabart, 1998)
- The Stevensen and Tabart (1998) report went on further state that the majority of organic farmers in Tasmania (64%) responded that organic farmers should be involved in export to overseas markets.
- 'Organic agriculture is fast becoming a major source of food in Europe, the US and Japan and Australia would be wise to move quickly to strategically place itself in a position to take advantage of export markets'(Kinnear, 2000).

Chapter 3

RESEARCH & METHODOLOGIES

Introduction:

The objective of this chapter is to describe in detail the ontological and epistemological stances adopted by the researcher throughout the undertaking of this study. This chapter will outline the specific design and research methodology that was utilised throughout, and outline the procedures that were undertaken both prior to and during the conducting of the data collection phase, in addition to the data analysis techniques utilised once all data had been gathered.

Throughout the research process the author's personal views about organic agriculture have been significantly challenged. Initially one of hypothetical support it has evolved to one of understanding and subsequent with much of the organic philosophy. This is not seen as a research negative or bias, as most qualitative studies involve the researcher's personal opinions within them.

Certainly within the Tasmanian organic industry there is criticism of the fragmentation and differences between the certifying bodies, however this research will not focus on such. Individuals within Tasmanian organic industry have proven over recent times that they are able to work together collectively, without disparagement, towards the collective furthering of the organic industry as a whole. Further, the author recognizes the immense responsibility of academic research to present a positive image of the Tasmanian organic industry, and to move beyond negative and destructive comments that simply propagate to self-fulfilling prophecies. As such, this researcher has a commitment to present the gathered information in a transparent fashion, so as to benefit and not hinder the Tasmanian organic industry's development.

Methodology:

Research methods can be classified in various ways, however one of the most common distinctions is between qualitative and quantitative research methods.

Quantitative Research:

Quantitative research methods were originally developed in the natural sciences to study natural phenomena. Examples of quantitative methods are now well accepted in the social sciences and include; survey methods, laboratory experiments, formal methods (eg. econometrics) and numerical methods such as mathematical modelling.

In quantitative research, the researcher's aim is to determine the relationship between one thing (an independent variable) and another (a dependent or outcome variable) in a population. Quantitative research designs are either descriptive (subjects usually measured once) or experimental (subjects measured before and after a treatment). 'A descriptive study establishes only associations between variables. An experiment establishes causality. For an accurate estimate of the relationship between variables, a descriptive study usually needs a sample of hundreds or even thousands of subjects; an experiment, especially a crossover, may need only tens of subjects'(Hopkins, 2000).

The estimate of the relationship is less likely to be biased if the researcher has a high participation rate in a sample selected randomly from a population. In experiments, bias is also less likely if subjects are randomly assigned to treatments, and if subjects and researchers are blind to the identity of the treatments.

According to Hopkins (2000), in all studies, 'subject characteristics can affect the relationships being investigated. The researcher can limit their effect either by using a less heterogeneous sample of subjects or preferably by measuring the characteristics and including them in the analysis.' In an experiment, the researcher tries to measure variables that might explain the mechanism of the treatment. In an unblinded experiment, such variables can help define the magnitude of any placebo effect.

Qualitative Research

Qualitative research methods were developed in the social sciences to enable researchers to study social and cultural phenomena. Examples of qualitative methods are action research, case study research and ethnography. 'Qualitative data sources include observation and participant observation (fieldwork), interviews and questionnaires, documents and texts, and the researcher's impressions and reactions' (Myers, 1999).

The motivation for doing qualitative research, as opposed to quantitative research, comes from the observation that, if there is one thing which distinguishes humans from the natural world, it is our ability to talk! Qualitative research methods are designed to help researchers understand people and the social and cultural contexts within which they live. Kaplan and Maxwell (1994) argue that 'the goal of understanding a phenomenon from the point of view of the participants and its particular social and institutional context is largely lost when textual data are quantified.'

Summary:

Although a clear distinction between data gathering and data analysis is commonly made in quantitative research, such a distinction is problematic for many qualitative studies. As well as the qualitative/quantitative distinction, there are other distinctions which are commonly made. Research methods have variously been classified as 'objective versus subjective' (Burrell & Morgan, 1979); as being concerned with the discovery of general laws (nomothetic) versus being concerned with the uniqueness of each particular situation (idiographic); as aimed at prediction and control versus being aimed at explanation and understanding; as taking an outsider versus taking an insider perspective, and so on. Considerable controversy continues to surround the use of these terms.

Sociologists, Van Krieken, Smith.P. *et al.* (2000), suggest that 'any discipline requires a methodology to reach its conclusions: it must have ways of producing and analysing data. Without a systematic way of producing knowledge, observations on social life can be treated as guesswork, a product of one's creative imagination, or simply as

commonsense.' Further, sociology researchers Comte and Durkheim both believed 'that the scientific study of society should be confined to collecting information about phenomena, which can be objectively observed or classified.' However, Durkheim (1933) argues that 'the first and most fundamental rule is: consider social facts as things.' This means that the belief systems, customs and institutions of society, the facts of the social world, should be considered 'as if' they were objects and events of the natural world. As such, they can be directly observed and objectively measured.

It is in Durkheim's sociologist view that '...society is not simply a collection of individuals each acting independently. Instead, people are directed by collective beliefs, values and laws, and by social facts which have an existence of their own and which make individuals behave in particular ways.'

It should be obvious now, that qualitative and quantitative research differ in many ways, yet they complement each other in many ways, as well. 'One of the differences between the two styles comes from the nature of data. *Soft data*, in the form of impressions, words, sentences, photos, symbols and so forth, dictate different research strategies and data collection techniques than *hard data*, in the form of numbers. Quantitative researchers emphasise precisely measuring variables and testing hypotheses that are linked to general casual explanations. Qualitative researchers, by contrast, are more likely to use a transcendent perspective, apply 'logic in practice', and follow a non-linear research path.'(Neuman, 1991).

Within this particular research, the emphasis has been on extracting marketing details from organic growers, not so much in dollar figures or units moved but rather in the perception of how their specific marketing technique(s) is/are working for the grower, textual explanations of current marketing activities, descriptions of proposed or intended marketing strategies for future use and explanations for the acceptance or rejection of the e-Marketing model. As such, a qualitative methodology was found to be more beneficial to this research question in lieu of a quantitative methodology, which would require the researcher to solicit specific details of quantities of produce sold.

Research Epistemology:

All research (whether quantitative or qualitative) is based on some underlying assumptions about what constitutes 'valid' research and which research methods are appropriate. In order to conduct 'valid' research, it is therefore important to know what these assumptions are. The most important philosophical assumptions are those that relate to the underlying epistemology which guide the research. Epistemology refers to the assumptions about knowledge and how it can be obtained. Orlikowski and Baroudi (1991) suggest that there are three categories of epistemology: positivist, interpretive and critical.

However, it needs to be said that, while these three research epistemology's are philosophically distinct, in the practice of social research these distinctions are not always so clear cut. There is considerable disagreement as to whether these research 'paradigms' or underlying epistemology's are necessarily opposed or can be accommodated within the one study. Qualitative research may or may not be interpretive, depending upon the underlying philosophical assumptions of the researcher, which may be positivist, interpretive, or critical. It follows from this, that the choice of a specific research epistemology can be independent of the underlying ontological position adopted. However, there is (and should be) some 'alignment' of the epistemology with the methodologies basic premise.

The nature of this research was primarily focussed on: (a)the organic grower's acceptance/rejection of a 'prototype' e-Marketing solution within their industry; and (b)the interpretation of the organic growers current and future marketing activities. To gain a full understanding of these phenomenon, the researcher solicited information about organic growers and their certifying organisations, their culture, their beliefs, their financial status and other highly sensitive topics. Because this study relies upon the capture of data concerning personal feelings, beliefs, and experiences, it was necessary for the researcher to adopt an interpretist epistemological approach to the study.

Subsequently, this approach allowed the researcher to selectively utilise qualitative methods of data collection and analysis throughout the study. Certainly, the established academic premise that an interpretist epistemology should occur within a qualitative research methodology, was another guiding factor in this selection.

Research Ontology:

The word 'ontology' seems to generate a lot of controversy in discussions about IS and AI. It has a long history in philosophy, in which it refers to the subject of existence (Van Krieken, Smith.P. *et al*,. 2000). It is also often confused with epistemology, which is about knowledge and knowing.

In the context of knowledge sharing, the term ontology means a 'specification of a conceptualisation'(Gruber, 1993). That is, an ontology is a description (like a formal specification of a program) of the concepts and relationships that can exist for an 'agent' or a 'community of agents'. This definition is consistent with the usage of ontology as a set-of-concept-definitions, and it is certainly a different sense of the word than its use in philosophy.

Pragmatically, a common ontology 'defines the vocabulary with which queries and assertions are exchanged among agents'(Gruber, 1993). Ontological commitments are agreements to use the shared vocabulary in a coherent and consistent manner. The 'agents' sharing a vocabulary need not share a knowledge base; each knows things the other does not, and an agent that commits to an ontology is not required to answer all queries that can be formulated in the shared vocabulary. In short, a commitment to a common ontology is a guarantee of consistency, but not completeness, with respect to queries and assertions using the vocabulary defined in the ontology.

Subsequently, as this research is primarily concerned with the interpretations of culture, beliefs and other sensitive topics within the organic grower's industry, and not actual dollar figures nor statistical evidence, a subjective ontology has been chosen as appropriate.

Research Methods:

Yin (1984) discusses the difference between research strategies, stating that 'research techniques can be derived from the type of research question.'. That is, is the research question a 'how', 'what', 'why', 'where' or 'who' type of question? Indeed, a research

question may have elements of more than one of these questions. In relation to the research question proposed by this study, the question has elements of 'how' contained within it. In this instance, the 'how' question can be exploratory and explanatory in nature.

The research in this study has been divided into two primary processes, each with two sub-processes;

(a) Process 1

- research into the necessary components of an e-Marketing solution; and
- the development of an 'example' e-Marketing solution;

(b) Process 2

- the collection of information pertaining to the organic growers current (historical and future) marketing processes; and
- feedback from the presentation of the 'example' e-Marketing solution to these marketing processes.

The first sub-process within Process 1, that of researching the components of an e-Marketing solution, utilised the process of literature research applied to the archives of the WWW, University and local Tasmanian State Libraries. The primary objectives of this section of research are to;

- Establish the key e-Marketing models;
- Identify any new innovation fundamentals;
- List the strategies required to develop an e-market solution;
- Identify the e-Marketing core competencies ; and
- Identify the e-Marketing success factors.

The second sub-process within Process 1, that of developing an example e-Marketing model, entailed the creation of a paper-based model to demonstrate the capabilities and possibilities of an e-Marketing solution for the organic grower's industry

Process 2 investigates the organic grower's current and future marketing processes and the acceptability of the 'example' e-Marketing solution. Yin (1984) observes that '[interviews] and archival analysis are the preferred methods of research for this type of activity.' These research methods are particularly useful when attempting to describe the incidence or prevalence of a phenomenon, or when this phenomenon is to be predictive of other outcomes.

Research Techniques:

This research utilised a case study process to examine and describe the investigation of using an e-Marketing model in the Tasmanian organic growers industry. Case studies are a type of qualitative research in which the researcher 'explores a single entity or phenomenon (the case) bounded by time and activity (a program, event, process, institution, or social group) and collects detailed information by using a variety of data collection procedures during a sustained period of time'(Creswell, 1994). Almost any phenomenon can be examined by means of the case study method. Whereas some researchers focus on the study of one case because of its unique or exceptional qualities, other researchers study multiple cases to make comparisons, build theory, and propose generalisations.

Data Gathering Techniques:

Interview data gathering techniques were used to populate this research's case studies with pertinent information relevant to the research question. Interviews can take a number of forms depending upon how structured or unstructured they are. A completely structured interview is simply a questionnaire administered by an interviewer who is not allowed to deviate in any way from the question provided. An unstructured interview takes the form of a conversation where the interviewer has no predetermined

questions but a predetermined path which to travel. Alternatively, there is another option between the two extremities, that being a semi-structured interview.

Semi-structured interviewing involves direct interaction between the researcher and a respondent or group. It differs from traditional structured interviewing in several important ways. First, although the researcher may have some initial guiding questions or core concepts to ask about, there is no formal structured instrument or protocol. Second, the interviewer is free to move the conversation in any direction of interest that may come up. Consequently, semi-structured interviewing is particularly useful for exploring a topic broadly. However, there is a price for this lack of structure. Because each interview tends to be unique with no predetermined set of questions asked of all respondents, it is usually more difficult to analyse semi-structured interview data, especially when synthesising across respondents. For the purpose of this research a semi-structured interview is to be applied to a sample group from within the organic grower's industry.

The interview path was another primary objective within this research. The interview questions needed to reflect the aims and objectives of the research but in such a way that the respondents can comprehend the questions alike, without ambiguity, and yet be structured in such a way as to present themes and not actual questions. This could only be accomplished by breaking the research question down into three manageable sections, such as:

- demographic information about a grower's farm and present marketing and distribution methods.
- information regarding a grower's current level of computer usage and e-Marketing awareness.
- input from the grower regarding the acceptance of the model e-Marketing solution.

Section 1 questions contained:

- Demographic questions relating to grower location, farm size, product(s) grown, historical farming details;
- Investigatory questions relating to the grower's historical, current and future marketing and distribution channels and processes.

Section 2 questions contained:

- Investigatory questions relating to the grower's access to IS equipment ie. Email, fax; their current level of computer knowledge and use; and their knowledge and awareness of e-Marketing/ e-Commerce functions, advantages and disadvantages.

Section 3 questions contained:

- Investigatory questions relating to the probability of use of the proposed e-Marketing model; reasons for and against its use; and any future considerations, which may impact on the e-Marketing model.

Each interview was scheduled for a period of no more than one half hour, primarily so as to contain the respondents attention and to allow sufficient time for both the respondent and researcher to follow through interview digressions, should they occur. The recording technique for the interviews was 'permissioned' cassette audiotape with supplementary notes detailing respondent body language and interview location details.

Data Analysis:

Once the initial data was obtained from the semi-structured interviews and transcipts of the interviews had been sent to and returned from the interview respondents with approval, the researcher began to undertake the comprehensive task of anaylsing the data obtained.

There are many valid reasons for doing qualitative research. One reason is the preference and/or experience of the researchers. 'Qualitative methods can be used to explore substantive areas about which little is known or about which much is known to gain novel understanding'(Stern, 1980). In addition, qualitative methods can be used to obtain the intricate details about phenomena such as feelings, thought processes, and emotions that are difficult to extract or learn about through more conventional research methods.

Qualitative analysis can be systematic and logically rigorous, although in a different way from quantitative or statistical research.

Bottom-up Coding:

'We believe that social phenomena exist not only in the mind but also in the objective world – and that there are some lawful and reasonably stable relationships to found among them' (Miles & Huberman, 1984). This quotation could be utilised to describe the process of 'bottom-up' research, although a more clearer explanation would be to define it as an '...inductive methodology for illuminating social processes' (Miles & Huberman, 1984).

Essentially the process of bottom-up research entails the undenigable fact that the data concerned appears in words rather than in numbers. This data may be collected in a variety of ways (observation, interviews, extracts from documents, tape recordings), and are usually 'processed' somewhat before they are ready for use (via dictation, typing up, editing, or transcription), but they remain words, usually organised into extended text.

The analysis of the collected data consists of three concurrent flows of activity: data coding, data display and conclusion drawing/verification . Data coding refers to the process of '...selecting, focussing, simplifying, abstracting and transforming the 'raw' data that appear in the interview transcripts'(Miles & Huberman, 1984) and necessitates three processes; Open Coding, Axial Coding and Selective Coding.

Data display is defined as an '...organised assembly of information that permits conclusion drawing and action taking'(Miles & Huberman, 1984), and take the forms of matrices, graphs, networks and charts. The final concurrent activity is conclusion drawing and entails '... the qualitative researcher beginning to decide what things mean, noting irregularities, patterns, explanations, possible configurations, causal flows, and propositions'(Miles & Huberman, 1984).

Open Coding:

Open coding is the element of the analysis that pertains specifically to the naming and categorising of phenomena through close examination of the data. 'Breaking the analytical process down is an artificial but necessary task because the researcher must understand the logic that lies behind the analysis' (Strauss & Corbin, 1998). Further, by the very act of naming phenomena, we fix continuing attention on them. Neuman (1991) points out that 'open coding is performed during a "first pass" through recently collected data, during which the researcher locates themes and assigns initial codes or labels in a first attempt to condense a mass amount of data'.

The researcher applied the process of 'open coding' to the interview transcripts and undertook the division of the sentences from within the transcripts as the primary stage. The researcher utilised a standard spreadsheet package, Microsoft Excel®, to identify and separate each interview transcipt into its distinct sentences. The adoption of the sentence as the predominate 'unit of analysis' for this study was due to the researcher recognising that each sentence of an individual transcript contained nominally large amounts of 'rich' information. It was deemed that if a larger unit of analysis was adopted, such as a paragraph, the richness contained in each sentence would have been lost to the study.

Once each sentence had been identified and seperated, the researcher proceeded to break down and 'conceptualise' the data by assigning each sentence a name or word that represented the particular idea or phenomena the sentence conveyed. This initial

allocation was undetaken by the researcher asking the question 'What is the major idea being conveyed by this sentence?' or 'What does this sentence seem to be about?'. Several hundred conceptual labels were created for specific pieces of data.

As a second phase in the open coding process, and in an attempt to standardise some of these labels, the 'concepts' were related to a particular phenomenon and then grouped, 'like with like'. The 'groupings' of similar concepts that evolved from the data, enabled the researcher to simplify and reduce the number of phenomena being looked at, and also enabled the researcher to attain a higher level of abstraction amongst the data. Neuman (1991) cites the process of grouping the concepts that seem to pertain to the same phenoma together as 'categorising'.

Once a list of catagories had been developed, each category needed to be 'dimenionalised', assigned properties and its relationship identified. This stage, known as Axial Coding, is explained in the next section.

Axial Coding:

'Procedurally, axial coding is the act of relating categories to subcategories along the lines of their properties and dimensions'(Strauss & Corbin, 1998). In this phase of analysis, the focus of the researcher was on specifying a category for the series of open codes created in the previous phase of analysis.

'When researchers code axially, they look for answers to questions such as why..., where, when, how and with what results, and in so doing they uncover relationships among categories' (Strauss & Corbin, 1998). Answering these questions helps the researcher to contextualise a phenomenon, and in doing so the structure or conditions set the stage, that is, create the circumstances in which problems, issues, happenings, or events pertaining to a phenomenon are situated or arise.

'Process and structure are inexticably linked, and unless one understands the nature of their relationship (both to each other and to the phenomenon in question), it is difficult to truly grasp what is going on'(Strauss & Corbin, 1998).

After the intial open coding stages were undertaken, many categories, subcategories and reoccuring 'themes' became evident. To enable easy identification of the numerous categories identified in the open coding process, the researcher summarised the codes from printed sheets produced by the spreadsheet package. This process further assisted in the identification of the dimensions of each category and began to show the relationship that may exist between them.

Many closely related phenomena became evident throughout this phase of analysis. It seemed to the researcher that there were a number of causal and contextual conditions visible which effected nearly all the growers and industry representatives interviewed, whilst other issues seemed to impact on only a small number of the participants or individuals.

Once all the themes and their associated relationships had been identified, the researcher developed a number of central categories. These categories were representative of the way in which organic growers feel about and perceive e-Marketing.

No one of these categories attempts to provide an all-encompassing explanation for (or against) the use of an e-Marketing model in the Tasmanian organic growers industry. These specific relationships can be seen in a subsequent chapter of this thesis, along with the results of the next coding process.

Selective Coding

'In open coding, the researcher is concerned with generating categories and their properties and then seeks to determine how categories vary dimensionally. In axial coding, categories are systematically developed and linked with subcategories, and the findings core category is defined. However, it is not until the major categories are finally intergrated to form a larger theoretical scheme that the research findings take the form

of a theory. Selective coding is the process of integrating and refining categories'(Strauss & Corbin, 1998).

The third and final stage undertaken attempts to identify whether the use of an e-Marketing model in the Tasmanian organic growers industry would be appropriate and viable. Once the core categories had been identified, the researcher went back to the original interview transcripts in order to test whether these core categories could be substantiated from the data solicited.

During this analysis stage, the researcher proceeded to identify statements obtained directly from the interviewees that either substantiated or negated the core categories. If it was found that there was a substantial number of statements supporting the category, it was left unaltered and it was accepted as a preliminary explanation of the research phenomenon. However, if the majority of statements gathered did not support the category as being a valid representation, it was redefined and reworked in accordance with the data until a category which could be susbstantiated from the data was developed.

Validity:

'Data are valid if they provide a true picture of what is being studied. A valid statement gives a true measurement or description of what it claims to measure or describe.'(Van Krieken, Smith.P. *et al.,* 2000).

Applied social research is a human activity, and the results of such research are affected by the human interactions involved. As such validity is referred to in two differing ways; 'internal' and 'external'. The threats to internal validity refer to the social pressures in the research that can lead to post-test differences that are not directly caused by the treatment itself. Most of these threats occur because the various groups (eg. growers and industry leaders), or key people involved in carrying out the research (eg., managers and administrators) are aware of each other's existence and of the role they play in the research project or are in contact with one another. Many of these threats can be minimised by isolating the two groups from each other, but this leads to

other problems (eg. it's hard to randomly assign and then isolate; this is likely to reduce generalisability or external validity).

The threats to external validity are related to 'generalising'. Validity refers to the approximate truth of propositions, inferences, or conclusions - therefore external validity refers to the approximate truth of conclusions that involves generalisations. 'in more prosaic terms, external validity is the degree to which the conclusions in a study would 'hold' for other persons in other places and at other times.'(Trochim, 1999)

In this qualitative research, the researcher has decided upon two approaches to providing evidence;

Ecological Validity.

> 'Experimental studies are often criticised on the grounds that conclusions based on experimental data cannot be applied to settings outside the laboratory because the laboratory is too unlike the real world'(Neisser, 1976). For this reason, '[qualitative research] is found wanting because it lacks ecological validity'(Neisser, 1976). In support of this criticism is the contention that 'human behaviour outside the laboratory cannot be predicted from what has been learned in the laboratory'(Hopkins, 2000).
>
> 'Ecological validity is the degree to which the social world described by the researcher matches the world of members'(Neuman, 1991). Behind Neisser's (1976) 'ecological validity' requirement is the assumption that observations made in the laboratory have (or are meant) to mimic everyday life phenomena. Mook (1983) argues that 'this criticism of the experimental approach to [research] is incorrect because experimental studies are concerned with "what can happen" not "what does happen". Nor do experimental conclusions serve to predict a function. Instead, experimental conclusions come about as a result of predicting from theories.' What needs to be shown is that observations collected in their natural setting may be what is needed to test a theory.

This research utilises ecological validity to ensure that the process of developing an e-Marketing model and the subsequent proposed use, is established in the real world and not a sterile business tank which, whilst it may be easier for the researcher, would produce a negative grower result.

Member Validation.

'Member validity occurs when a researcher takes field results back to members, who judge their adequacy'(Neuman, 1991). A research project is member valid if members recognise and understand the researcher's description as reflecting their intimate social world. Member validation has limitations because conflicting perspectives in an individual setting produce disagreement with a researcher's observations, and members may object when results do not portray their group in a favourable light. In addition, members may not recognise the description because it is not from their perspective or does not fit with their purpose.

Both methods of validation are concerned with subjectivity and context as they evaluate the credibility of the respondent. Therefore, validity, in this research context, is the confidence placed in the analysis and data, as accurately representing the 'social' world from which the data was drawn.

Limitations:

This study does not intend to and cannot provide an exhaustive and detailed exposé of the marketing trends of the organic growers industry within Australia as a whole. Rather, the research has been scoped to investigate the current and future marketing practices of the organic growers in Tasmania, so as to ascertain the viability of recommending e-Marketing to the state wide industry as a whole. It should be noted though that Tasmania, like the mainland of Australia, is an island with all the parochial, regional and isolation issues intact. From a research point of view this is ideal - a small

island in which to test the research hypothesis, which may subsequently be applied to the larger mainland.

Further, the literature review highlighted several short comings in available information regarding the requirements for the establishment of an e-Marketing opportunity. Whilst there is a plethora of articles, books and white papers available on the possibility of e-Marketing, there is little or no information available to assist in the actual establishment of an e-Marketing process.

Chapter 4

DESCRIPTION OF AN INTERVIEW

This chapter will discuss the characteristics of the growers and industry bodies selected for the study, along with a brief description of the interviewees chosen. In addition, the chapter will also illustrate two particular examples of interviews that were undertaken throughout the main data gathering process of this study.

Growers and Industry Bodies

The growers and industry bodies selected for incorporation into this study were chosen on the basis that they represented the three primary areas of the organic industry in Tasmania – Industry bodies, Broad-acre Growers and Small Niche Growers. Information was obtained from their individual semi-structured interview transcripts and a white paper "Tasmanian Organic Farm Monitoring Project"(Stevensen, 1998) produced by Graeme Stevensen and Tim Tabart. For the purposes of this study, only five case studies covering the three main areas were incorporated.

Industry Bodies

- OCT – Organic Coalition of Tasmania

  OCT is a peak body designed to foster the development of Tasmania's organic industry via the bringing together of a number of organisations with an involvement in commercial organic production. OCT does not intend to touch certification issues, which it is felt are more appropriately dealt with on a national level. The coalition was formed in May 2001 and is based in the south of the State.

- TOPS – Tasmanian Organic/Dynamic Producers

  TOPS is one of seven certification bodies in Tasmania. Established in 1988 when a splinter group formed out of NASAA and BFA members, to further address what was then perceived as uniquely Tasmanian organic issues. It has the largest membership of the certifying bodies in Tasmania.

Broad Acre Growers

- DPIWE – Department of Primary Industry, Water and Environment

  DPIWE's research farm at Stoney Rise in Devonport was established in 1999 with a mandate to establish a research facility and training ground for 'converting' traditional growers. The research farm, consisting of 6 x 3 Ha paddocks, makes it one of the larger organic production sites in Tasmania.

Small and Niche Growers

- Grower #1 – A North-western-based independent grower

  Grower #1 works from a structured organic garden located in Penguin. Most of the organic produce is sent to local markets or sold to neighbours/friends. The garden was established in 1996 and has been used over the past few years as a teaching garden for field days and organic training purposes.

- Grower #2 – A southern-based independent grower.

  Grower #2 operates an organic herb business in collaboration with a business partner. The produce is packaged and distributed locally, mainly in the south, interstate and to a very small degree internationally. The garden has been established for some 4 years and is considered to be of the optimum size.

Examples of Interviews

For the reader to fully appreciate how the semi-structured interviews were conducted, it is necessary to introduce the participants first and then to outline an interview experience. This next section will draw examples from only two interviews that were undertaken during this study, in an attempt to provide the reader with an experience of what it was like to conduct an interview.

The examples of the following interviews were conducted during the data gathering stage of this study, and outline the experiences of the researcher's attempt to obtain information relevant to the subject of e-Marketing of Tasmanian organic produce.

Example A

This interview is an example of a meeting conducted with a broad acre organic producer. The primary objectives of this interview were to obtain information pertaining to a broad acre grower's present and future marketing strategies and to obtain feedback on the example e-Marketing model.

It was very apparent to the researcher that large organic cultivators, such as broad acre growers, had a very different approach to the cultivation and subsequent marketing of organic produce. The market objectives of a broad acre grower is focused a lot finer on the distribution of quantity, and large quantities at that, rather than the uniqueness or niche aspects of organic produce. For example, just one paddock, some 3 Ha of a specific organic product, was sufficient to flood the organic market in Victoria in 1999, making it very difficult for smaller, niche growers to subsequently market their similar products.

In this example, the individual who agreed to participate in the interview was the Agricultural Officer responsible for sourcing organic crop production components suitable for use in conventional agricultural systems and for testing the protocols for organic production through the conversion of an existing conventional farm-let to a fully certified organic farm-let.

Once the initial contact was made by phone and a convenient interview time established by both researcher and respondent, preliminary background research was actioned to establish the projects and developments the broad acre grower was currently working on. This information was gained from the readily available research, promotional and web-based material provided by DPIWE, although most dealt with traditional agriculture.

The interview was conducted at DPIWE's Stoney Rise offices in Devonport so as to enable the researcher to gain certain insights into the organisation, its structure and culture. This strategic step ensured that the respondent was relaxed and also gave them the opportunity to access pertinent information, should it be required. It was also hoped that this step would allow the researcher to delve into more personal perspectives of the respondent and their company.

In this particular example, the respondent was very pleased to be chosen to take part in a University study, and as such, made good use of the opportunity to expand upon several 'pet' projects. Based upon the rapport that was quickly established between the two parties throughout the pre-meeting conversations, the researcher felt quietly confident that any question would be met with enthusiastic and thorough response. And it was just that.

Upon arriving for the interview, DPIWE's Devonport receptionist advised the researcher to wait whilst she paged the respondent. The DPIWE Stoney Rise offices are well appointed, with walls and several poster boards showing differing aspects of DPIWE's projects. The respondent was quickly on-the-scene and with a hearty, warm handshake, directed the researcher to accompany her to the office.

The office appeared well organized with posters and charts adorning the walls, giving the researcher the impression of someone who is passionate about their work. After a short period of 're-acquaintance', the researcher began to outline the reason for the study, and why this organisation had been selected as a suitable participant in the study.

Very early on in the interview, the respondent arose and closed the door, seemingly to preclude any future discussion from prying ears. The researcher asked the respondent if the interview discussion that was to transpire was going to be about sensitive or confidential information, so as to guarantee the confidentiality of the provided information. The respondent reassured the researcher that this was not the case, but that her office complex had on occasions been rather 'busy' and 'noisy' and she wanted no disruptions, having set aside this time especially.

Throughout the entire interview process the respondent was very supportive of the aims and objectives of this research and even offered suggestions as to how this study may be further focused and offered contact names of people who 'should be' contacted.

The researcher also noticed throughout the course of the interview that it was DPIWE's policy to give financial authority as well as management responsibility to its Agricultural Officers, as the respondent was quite well informed and obviously the one who actioned the financial aspects of the cultivation site.

Being a semi-structured interview, the interview's topic lead down many similar paths with both the respondent and the researcher often finding that they both agreed and disagreed on similar points of interest. Questions were frequently received with a 'gusto' of enthusiasm and the reply delivered with the same delight, implying that someone was researching this much needed area of the organic industry.

The respondent offered the researcher a copy of her own report on the progress of marketing organic produce from her recent visit to USA, in exchange for a copy of this research's e-Marketing model. Further, an open invitation was made for the researcher to provide some marketing information, by means of shared workshop, to DPIWE growers and other interested parties.

All in all, the interview provided a large amount of information regarding the existing and future marketing potential and methods for this broad acre grower. It would appear to the researcher that DPIWE have acknowledged a fundamental flaw in the

organic industry, that being the lack of marketing expertise within its growers, and that they were setting about to address this issue immediately.

At the conclusion of the interview, the respondent ushered the researcher back to the reception area, stopping to introduce the researcher to several other staff members of DPIWE on the way. Once back at reception, the respondent took her leave, stating that she would look forward to a copy of the interview transcript and another opportunity to hear how this research was progressing.

Interview B

This second interview involves a niche organic grower who, by their own admission, has little or no computer skills, although they seemed to be particularly interested in the concept of electronic commerce and e-Marketing.

The subject of this example was a local organic grower situated on the North-West Coast of Tasmania.

As with other participants, the researcher attempted to collect some promotional information on the grower's business to enable some preparation to be undertaken. For this example, however, it was not possible to attain any information due to the lack of readily available material. As a result, the researcher knew very little about the grower, other than that proposed by industry peers, before the actual meeting.

On arrival at the grower's residence, the pre-arranged venue for the meeting, the researcher was shown into the family's dining room and introduced to some family members. Whilst waiting for the interview to commence, the researcher was able to observe the growers residence and gain insight into the grower's foundation of beliefs.

The room, whilst being small, was not in any way isolated from the rest of the house, which made conversation and interviewing rather stilted to say the least. Adding to

this was the fact that the grower was called to the telephone at least twice during the interview and once more to distribute tea and biscuits to all concerned.

Throughout this interview, it became apparent to the researcher that both the interviewee and his spouse had differing opinions on what constituted electronic commerce and to some extent even organic produce. This made for an interesting result when it came to asking specific questions regarding these issues.

This example of an interview eventually became a teaching/learning session for the researcher and grower, with the grower gleefully informing the researcher on who, what, when and where of the organic industry in Tasmania and researcher offering what knowledge had been gleaned so far in the study.

The researcher looked upon such interviews favourably, as they were easy to conduct, produced a lot of useful information, and also provided the respondent with some insight into the research area currently being conducted.

At the end of this interview, the researcher thanked the participant for his time (and the cup of tea and biscuit), and explained the process by which all interviews being undertaken would be transcribed and returned to them for approval.

At this time the respondent showed interest in receiving a copy of the final report, which they believed would be of great interest to the organic industry as a whole and themselves personally.

Chapter 5

RESEARCH FINDINGS

"Every business needs to be able to identify new market opportunities. No business can depend on its present products and markets lasting forever. We no longer hear about horse carriages, buggy whips and slide rules – all those manufacturers either went out of business or were smart enough to develop new products and new markets."

(Kotler, Chandler *et al.*, 1989)

Introduction:

After extensive coding of the interview transcripts, I established three central or core categories (as detailed in Strauss & Corbin, 1996) with which to describe the study's research. This chapter will validate the three core categories, identify and justify their choice.

Each of the following paragraphs identify's a high-level code and contains an explanation of the research findings that emerged from the coding process.

Core Category #1:

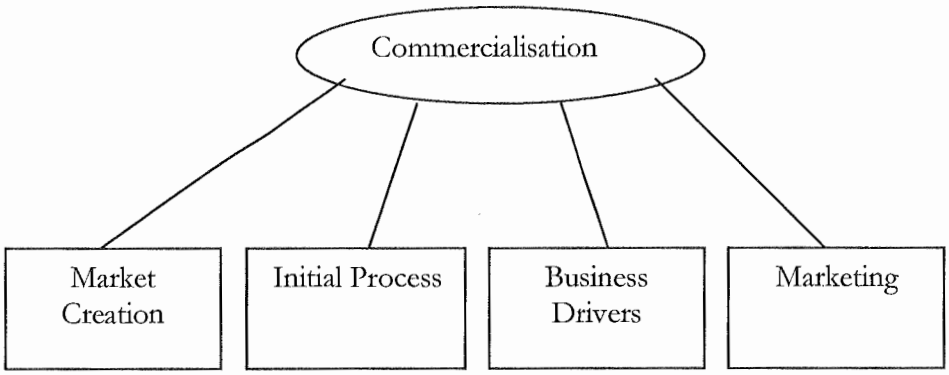

Figure 11: Core Category #1.

Initial Process:

The interviewee's all spoke of the organic industry as being well established, with formal initialisation and certification processes in place to ensure accurate organic production methods. They described the process of certification as one of lengthy periods of inactivity and loss of production between soil testings, and the costs of having productive land locked away for up to three years, whilst organic certification was being investigated. However, not one of the respondents indicated concern at the level of organic validation required, but rather spoke of the security that such initial processes offered organic growers.

> *"well I suppose, what I understand as certified organic is the compliance with the recognised nationally and internationally organic standards, which is basically a system of production, which uses natural or non-toxic inputs and focuses on building up the vitality of the production system so that there is an inherent resistance to disease and a greater nutritional quality..."* *(Interview #2: Ln: 260 – 267)*

> *"...of course, there is security in certification, even though it takes some three years to acquire, and that's a long time for a paddock to be locked up..."* *(Interview #1: Ln: 323 – 326)*

Market Creation:

The respondents all identified that market creation was a vital issue for the Tasmanian organic industry, each identifying a somewhat different reason: future and continued trading, cooperation between growers within the industry, the move to a more commercial approach to organic agriculture, and the acquisition of marketing know-how.

> *"...Isn't it funny, that marketing is the big thing that we need... We've learnt all about certification processes so if people want to talk to us about it they can ...but just this marketing is one that's really missing" (Interview #3: Ln: 278 – 284)*

> *"That's what Field Fresh will do when they change... they'll provide the marketing. It's out of the pot into the fire. We've really got to reinvent the farmer marketing." (Interview #1: Ln: 507 – 509)*

Further, most respondents identified e-Marketing as a tool that could be used to create and foster market opportunities.

> *"...The sad thing is that we have not quite got the recognition in Tasmania. I mean is its like that and not recognised Australia wide, people know about it, but they don't expect anything dramatic to come out of Tasmania... e-Marketing may change this." (Interview #1: Ln: 402 –405)*

Business Drivers:

A number of interviewees commented on the level of competition experienced within the organic industry, both between individual growers and the very markets they sold to. Interestingly though, the only grower not to comment on the perceived level of competition was the broad acre grower. The growers who did comment also had differing opinions on whether competition, as a business driver, was acceptable within the organic industry.

"One thing you have got to be careful about is that you don't get people competing with each other too much... I mean that's what traditionally has happened in agriculture production. The buyer will play growers off against each other and because the growers are not in a position to bargain or are not in a position to hold out." *(Interview #2: Ln: 441 – 444)*

Further, the niché grower respondents were concerned with the level of production of organic produce, citing examples of where the demand far outstripped the supply. Only the broad acre grower was content with the existing organic produce supply levels, citing an example of where a single grower had flooded a capital city market with a single organic produce line.

"The problem with all these marketing ideas is supply! The people I buy from have a hard time supplying me, so how are they going to supply Australia or even overseas? No, the supply is still too limited. There is not enough produce." *(Interview #4: Ln: 116 – 119)*

"...I said it's a one paddock wonder market. In Australia, one paddock of a hundred tonnes is going to flood the market! Now that's like, one hectare on our site, which is nothing..." *(Interview #3: Ln: 215 – 217)*

Marketing:

The perception of marketing provided by all interview respondents varied considerably, from negative comments on the social aspects of e-Marketing to a great appreciation of e-Marketing's functions and possible advantages.

"e-Marketing! I don't like it.... It decimates existing businesses. You know all this home shopping and e-Mail, it reduces society. People don't go out an meet anyone any more. They do it all from home." *(Interview #4: Ln: 38 – 41)*

"Oh look... the size of the Australian market means that we are going to have to do it on a scale... and you might as well go electronic. In America I saw heaps of people who are just doing the one box thing to the consumer... I mean, I think that stuff will go on...but that is never going to satisfy the amount of produce we can supply." (Interview #3: Ln: 407 – 415)

Most respondents commented that they considered it a buyers market, and that growers should beware of the traps that inter-industry competition could provide with buyers pitting grower against grower in a price war. Further, most respondents also indicated that e-Marketing was a feasible marketing tool but they also had reservations on the range of application and establishments costs.

'I think the solution is to set up [e-Marketing] something small, relatively small and add onto it. Start in an area where you see that there's an adequate supply perhaps and a few ready buyers and start from there..." (Interview #2: Ln: 492 – 495)

Core Category 1. - Commercialisation:

The four previous codes: Market Creation, Initial Process, Business Drivers and Marketing were subsequently grouped together to form the first of the three core categories: Commercialisation. This core category describes the organic industry's business approach, which was conceived to be new, vibrant, evolving, outwardly commercial and with a short establishment and success cycle.

Regularly during the data gathering interviews, the phrase 'we can grow it, but we don't know how to sell it' appeared in differing contexts and wordings.

"...There is a basic lesson here... for about 60 years most of agriculture relinquished it's involvement with marketing... and these guys are reinventing it. That's what scares these blokes converting to organic." (Interview #1: Ln: 504-507)

"...they've got people in production. I mean they've got the product already happening, so it's just a matter of getting the marketing happening." *(Interview #2: Ln: 534 – 536)*

"... we can grow, we cannot sell it. And that is exactly the problem, on the scale that we are looking at..." *(Interview #3: Ln: 181 – 182)*

Additionally, the agricultural industry in Tasmania is also somewhat unique from the rest of Australia, in that most of the conventional agriculture in Tasmania is grown to contract.

"...in Tasmanian we have this peculiar situation where none of our conventional growers have any idea about marketing... because they all contract their sales. So when we convert them over we've got not only the technical things to consider but their marketing ability, which they do not have." *(Interview #3: Ln: 184 - 188)*

Consequently, this brings about a dire lack of marketing expertise in those growers who convert from traditional means of agricultural production to organic processes and those who are using the traditional agricultural marketing methodology as a model for their own marketing process. Marketing, as such, by Tasmanian organic growers has been, and currently is, a matter for individual grower effort.

This individualist marketing methodology may be a product of the underlying philosophy driving many organic producers. This philosophy, which largely critiques traditional techniques of agricultural cultivation, encourages and supports an individualistic approach to finding and developing less biologically-threatening and more bio-sustainable, nature-harmonious alternatives to the production of food.

However, individualistic approaches to marketing can bring about an over supply of specific types of produce, leading to market denigration and to destructive, inter-industry competition.

"... but I went to New Zealand and they said we know you, you're Tasmanian. You flooded the Sydney market with carrots! I said, it wasn't me, it was someone else..." (Interview #3: Ln: 213-215)

Further, the process of marketing requires time and resources. Larger growers have facilities and resources available to 'entertain' the process of marketing. Small growers have little or no resources to spare. For a small, niche organic farm, operated by only two people, to be involved in any marketing process could require the time and resourcing of 50% of the farms work force – that being the grower him/herself. For a large grower, the labour and resource investment in a marketing program may be as little as 5% of their available workforce. A substantial difference, which may be alleviated by the small, niche growers utilising a marketing system that will equate them with the larger growers. After all, at the end of an e-Commerce transaction, nobody knows how big or small you are. They are only interested in how well you can supply their want/demand.

Further, this research has found that there are two significant yet diverse groups in regard to the e-Marketing of organic produce: the philosophical organic grower and the converted traditional farmer. Both groups agree that e-Marketing is a feasible marketing model.

"I must admit my first thoughts are I don't know whether you'd want to do an [e-Marketing] trial in Tassie. It really should be set up nationally".(Interview #1: Ln: 581 – 582).

"So what if you start off with say an information or promotional web site for Tasmanian organic produce and then try to... sort of... have this market link up thing as part of the web site?" (Interview #2: Ln: 510 – 512)

Finally, it is an undeniable fact that there is a huge demand for organic produce both within Australia and in our global region, South-East Asia. Certainly the demand for organic produce is far outstripping the supply or the 'upstream' end of the organic produce supply chain, turning a previously 'push supply chain' model to a 'pull supply

chain' model in a very short time frame. After all, it wasn't all that long ago, maybe as recent as 2 years, that organic produce was seen as a fad that would, in time, simply fade away. E-Marketing is a way which the Tasmanian organic industry can become more effective and proactive in its commercial approach to the business of growing organic produce.

Core Category #2:

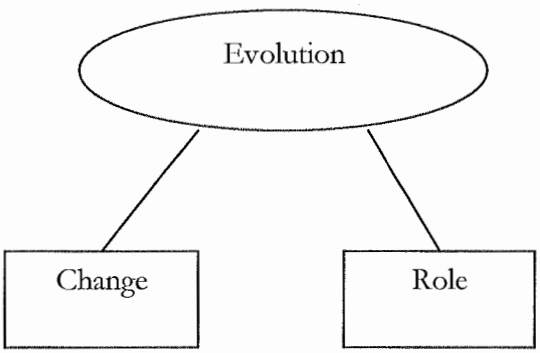

Figure 12: Core Category #2

Change:

Interview respondents had much to say about the changing state of the Tasmanian organic industry. All held the view that the industry could not, and should not, stay as it exists now with growers practicing individually and segregated within their certifying bodies, but should move to a collective-industry style of production and marketing.

> *"I think this is an issue for the industry as a whole, to seriously sit down... it would appear that we need to get this industry together somewhere, either on a field day or on a summit, that says listen we need to talk about some of these [production and marketing] issues... and maybe that's where OCT through its links can start asking these hard questions." (Interview #3: Ln: 377 – 382)*

All respondents were aware of the imminent arrival of broad acre growers, whose larger properties and subsequent increased organic productions were capable of undermining existing niché grower markets. However most accepted that this change was necessary to ensure the continued success of the organic industry.

"Well now I've visited probably 20 or 30 organic farms... and about 20 non-organic farms... about broad acre farms around the Devonport, Forth, Latrobe area. These are the fellows I have been talking to, and there's a couple in the market already, so look out, its going to be a muscle job from now on." *(Interview #1: Ln: 390 – 393)*

"Some body just said today, have you looked at the news lately?. Farmers are fighting McCains, farmers are fighting Simplot. They've been doing it every year. They're getting squeezed and squeezed and squeezed. What's the answer? Do a [broad acre farm like] Joe or Bensen's is the answer..." *(Interview #1: Ln: 531 – 536)*

Further, respondents indicated that the organic industry needed to become more commercial in its approach to organic agriculture. Nearly all respondents cited examples where growers had made errors in business judgement to the detriment of the industry as a whole.

"...but I went to New Zealand and they said we know you, you're Tasmanian. You flooded the Sydney market with carrots! I said, wasn't me, it was someone else but I said it's a one paddock wonder market." *(Interview #3: Ln: 214 – 217)*

"There needs to be coordinated production in order to avoid the situation where there is an over supply of the product. Which then makes it a buyers market basically." *(Interview #2: Ln: 453 – 455)*

Role:

Each of the respondents identified as either a coordinator or leader within the Tasmanian organic industry. Certainly, I established this order to obtain the high level information required by this study, but also so as to speak with and gain the opinions of those people whose individual business directions can make an impact within the organic industry.

"I get around with this TOFAS project I am running. We provide advice on organic produce." *(Interview #1: Ln: 388 – 389)*

"The Bensen's and Joe, they are leaders. The markets are virtually laying down at their feet.." (Interview #1: Ln: 382 – 383).

"You need to speak with the supremo's in marketing in Tassie...ah... They own the All Organic Shop in Hobart." (Interview #1: Ln: 490 – 491)

Further, each respondent was certified within a different certifying body. This gave me an opportunity to gain insight into the political issues within the Tasmanian organic industry.

"...but [OCT's] run into a bit of flack, it, some of the certifying organisations will not participate, at least two of them won't join up..." (Interview #2: Ln: 185 – 186)

"Yeah well, see initially there was just NASAA and that looked like it was going to be it... then they had some teething problems and a few people spat the dummy and went off in their own direction and then there was also the Biodynamic Research Institute..." (Interview #2: Ln: 204 – 208)

Core Category 2: Evolution

These two subsequent codes, Change and Role, were grouped together into the second core category: Evolution. This category was used to describe the emergence of the Tasmanian organic industry, which could be detailed as fundamental, a motivator, a driver of change and a structured process within which the organic industry could evolve.

The Tasmanian organic industry is changing, and changing quickly in comparison to other agricultural industries (i.e. Wheat, Rice, Beef). Primarily these changes are to do with the significant increase in the size of organic properties in Tasmania and the move away from small, niche farms to larger broad-acre production sites.

The study's literature review has already outlined several statistics dealing with property sizes and production types within the Tasmanian organic industry. These figures show that the average size of an Tasmanian organic farm has increased 311% in just one year (1999 – 2000). Further, the average size of a certified organic property in Tasmania has also increased significantly in size (14.9%). This is consistent with an increasing trend to broad acre organic agriculture production in Tasmania, as described by Whitten (2001) in his report on the state of the Organic Industry in Tasmania.

This increase in the production quantities of organic produce has, more than likely, been as a direct influence of the continued rising national and global demand, which has seen some larger conventional agricultural properties convert to organics, seeing value in the premium prices paid for organic produce.

> *"Very soon you'll get Field Fresh® actually develop something and they'll sub-contract growers again and we'll be out of the pot and into the fire in some respects. The organic movement will have achieved less chemicals, or no chemicals that's great! But we won't have answered this problem of agriculture where we want as much as possible for the farmers to sell..."* *(Interview #1: Ln: 475-479).*

> *"...and basically he's a grower as well so he's worried that his markets that he's already shored up on the mainland are going to be undermined by big growers coming on-side here.."* *(Interview #3: Ln: 221 – 224).*

This change will have an enormous affect on all growers. These changes will challenge the industry's philosophical ideology, which may see it subsequently evolve from one of ethical and almost revolutionist difference to traditional agriculture, to one of capitalistic opportunism. Especially as the number of conventional agriculturists converting to organics increases in an effort to gain some commercial advantage on the premium prices paid for organic produce.

The organic industry through its national peak body OFA has recently been involved in major policy and regulation re-evaluations. The recent Inaugural National Organics Conference held at Sydney's Convention and Exhibition Centre in August 2001, was a venue for discussions concerning Organic Regulation; Employment and Rural Policy

Development; Organic Industry Developments; Cultivating Capacity: Environment and Social Justice and many more important and relevant industry issues. It is from these, and many other previous and concurrent discussions, that the industry has set about establishing a way of nationally empowering its grower's production, certification, sales and marketing.

This is a time of radical change within the organic industry, as a new and burgeoning industry learns to stand up for itself. With industry changes gaining momentum all the time, now could just be the time for the organic industry to decide upon a whole-of-industry marketing methodology. e-Marketing is an appropriate strategy which, when combined with the individualistic marketing approach seemingly required by the organic grower's philosophy, will enable local growers to access global markets for their produce.

Core Category #3:

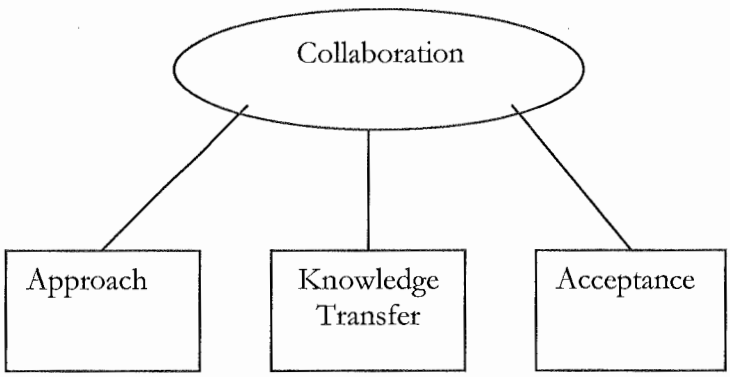

Figure 13: Core Category #3

Approach:

Respondents all agreed that the approach to organic agriculture was a philosophical one in which the grower was not only interested in higher food nutritional quality but in the sustainability of the soil as well. Further, the niche grower respondents all identified that lifestyle played a significant part in their approach to the growing of organic produce.

> *"Well it's a philosophical system and so the soil is part of the production system so yes, it's more to do with the way the product is produced like um, there has been a misconception at times..." (Interview #2: Ln: 272 – 279)*

> *"...there's a lot of people who are going into it and they don't really know what they are getting themselves into and they're not adequately equipped or skilled to produce the goods, or live the lifestyle." (Interview #2: Ln: 465 – 469)*

Respondents proposed a holistic approach to the production of organic produce, not wanting to separate their underlying philosophical motivation from the practicality of running an agricultural business.

"We're all going to do different things… but its like all these people I've known and I've read about in the literature, and I know that they've written stuff, I know that they've been working on it, we're all contacting each other like three or four times a day… we're getting into things like what do you think about this, or that, can we pull all this together into one project, can someone gives us some money..." *(Interview #3: Ln: 251 – 256)*

"Umm...yeh, it's kind of like the chicken and the egg thing…. it's hard to get people to go producing something if they don't know if they've got a market." *(Interview #2: Ln: 489 – 492)*

Knowledge Transfer:

The Tasmanian organic industry prides itself on the level of knowledge transference within the industry. Certainly all respondents were well informed on organic production methods and indicated that they were regular attendee's at industry field days and educational summits.

"We're having a series of three field days. One's at Joe's. The other two are interesting..." *(Interview #1: Ln: 76 – 77)*

Amazingly, all respondents were able to identify each other when quizzed. Not only was each respondent individually able to identify each other, but they knew considerable amounts of detail about each others' farm sizes, locations, product(s) grown, and farming Tasmanian residency history.

"… He's got quite a depth of experience, because he started off growing vegetables in California on a very large scale. He came out to WA in the mid 80's and continued doing it there for about 10 years…" *(Interview #2: Ln: 107-110)*

"…I've even had the conventional growers industry reps say do you want me to bring 10 conventional growers in and tell them to convert now! I said look just hang on, just wait another season. I want better crop budgets. I want them to be able to make informed decisions…" *(Interview #3: Ln: 290 – 294)*

Acceptance:

The interviewees all indicated that the Tasmanian organic industry was conservative in its approach to new methodologies. The fact that the acceptance of new or marginally different ideas took time to be appreciated within, what the I understood to be, a revolutionary agricultural movement was almost a paradox.

> *"Oh yes. Farmers are ultra conservative. Of course there is a bit of a social issue there as well..." (Interview #1: Ln: 552 –554)*

Even so, respondents indicated that this conservativeness was changing as the industry grew and matured.

> *"Certainly the conserviativeness within the industry is going... we now see growers as masters of their own fate..." (Interview #4: Ln: 65-66)*

Further, all respondents indicated that acceptance as a valid member of the organic industry was very important as well.

> *"I am sort of the black sheep of the industry I think. People don't like me too much because I speak what I think and don't want to be in everything...yet I am well respected" (Interview #4: Ln: 102 – 104)*
>
> *"...I think it was, sort of one of the first members of BFA. My membership number is 40..." (Interview #2: Ln:118 – 119)*

Core Category 3: Collaboration

The previous three codes were combined in the axial coding process to form the last of the core categories: Collaboration. I used this category to desribe the organic industry's united effort, which could be detailed as critical, empowering and whole-of-industry educational.

The Tasmanian organic industry has, over a number of years, developed a very active channel for the sharing of organic growing techniques and information. It would appear from the interview respondents, that each interviewee either knew each other or,

at the very least, knew of each other and their respective business abilities, types of produce grown, grower locations and such like.

> *"...there are researchers in every state of Australia, who are working on organics...we've almost got a full suite of researchers working around the country on organics, who are actually communicating now..."* *(Interview #3: Ln: 247-250)*

> *"...I get around with this TOFAS project I am running. We provide advice on organic produce. Well now I have visited about 20 or 30 organic properties and about 20 non-organic farms..."* *(Interview #1: Ln:388-390)*

At present, the Tasmanian organic industry, and in fact the national organic industry, has no whole-of-industry marketing methodology, nor a centralised marketing arm from which to action marketing processes, as do conventional agricultural associations (e.g. Australian Wool Industries, Australian Wheat Board, Rice Marketing Board), other than those established through individual certifying agencies. The Tasmanian organic industry is *not* similar this respect to the Tasmanian Apple and Pear growers, identified by Pedersen (1999).

Pedersen's research, established that e-Marketing was not a suitable conduit for perishable produce, as the Apple and Pear Growers industry was already involved in a centralised marketing methodology. Further, the Pedersen research identified that the Tasmanian Apple and Pear Growers themselves were not a cohesive and interactive group of growers, as are the Tasmanian organic growers.

It is this system of knowledge transfer among growers that has emerged as one of the backbones of the organic industry in Tasmania and as such should be used as a conduit for the transference of marketing information and methodologies within (and external to) the Tasmanian organic industry.

Findings Summary:

Core Category 1. - Commercialisation:

The four axial codes of Market Creation, Initial Process, Business Drivers and Marketing were utilized to describe the Tasmanian organic industry's business approach and subsequently group under the core category of Commercialisation.

The respondents spoke of organic industry's *Initial Process* as being well established, with formal initialisation and certification processes in place. Respondents all identified that *Market Creation* was a vital issue for the Tasmanian organic industry, and identified e-Marketing as a tool that could be used to create and foster market opportunities. Under the code of *Business Drivers*, a number of interviewees commented on the level of competition experienced within the organic industry, both between individual growers and the very markets they sold to. Whereas the perception of *Marketing* provided by all interview respondents varied considerably, from negative comments on the social aspects of e-Marketing to a great appreciation of e-Marketing's functions and possible advantages. Further, most respondents commented that they considered it a buyers market, and that growers should beware of the traps that inter-industry competition could provide with buyers pitting grower against grower in a price war.

I have used these codes to describe the organic industry, which I conceived to be a new, vibrant, evolving, outwardly commercial industry and with a short establishment and success cycle.

Core Category 2. - Evolution:

The two subsequent codes, Change and Role, utilised to describe the emergence of the Tasmanian organic industry as an agricultural producer and have subsequently grouped them under the core category of Evolution.

Interview respondents had much to say about the *Change* process operating within the Tasmanian organic industry. Further, all respondents were aware of the imminent

arrival of broad acre growers, whose larger properties and subsequent increased organic productions were capable of undermining existing niché grower markets and changing existing marketing methodologies. Respondents also indicated that the organic industry needed to become more commercial in its approach to organic agriculture. Within the code *Role*, each of the respondents identified as either a coordinator or leader within the Tasmanian organic industry. Initially established to gain high-level information, this gave me an opportunity to gain insight into the operations, existing market methodologies and political issues within the Tasmanian organic industry.

I have used these two codes to detail the evolving organic industry as fundamental, a motivator, a driver of change and a structured process within which the organic industry could evolve.

Core Category 3. - Collaboration:

The three codes of Approach, Knowledge Transfer and Acceptance were combined in the axial coding process to form the last of the core categories: Collaboration.

The niche grower respondents all identified that lifestyle played a significant part in their *Approach* to the growing of organic produce. Further, they proposed a holistic approach to the production of organic produce, not wanting to separate their underlying philosophical motivation from the practicality of running an agricultural business. The Tasmanian organic industry has, over a number of years, developed a very active channel for the *Knowledge Transfer* of organic growing techniques and information. Amazingly, all respondents were able to identify each other when quizzed. Not only was each respondent individually able to identify each other, but they knew considerable amounts of detail about each others' farm sizes, locations, product(s) grown, and farming Tasmanian residency history. All respondents indicated that *Acceptance* as a valid member of the organic industry was very important as well. Further, interviewees indicated that the Tasmanian organic industry was conservative in its approach to new methodologies, but that this conservativeness was changing as the industry grew and matured.

I used this core category to desribe the organic industry's united effort, which could be detailed as critical, empowering and whole-of-industry educational.

Chapter 6

DISCUSSION AND FUTURE RESEARCH

Introduction:

> *"A combination of the increasing demand for organic produce worldwide and the emerging medium of e-Commerce through the conduit known as e-Marketing, can only lead to the surfacing of an expansive market opportunity for the organic industry"(Cox, 2001).*

With a growth rate exceeding 20 percent per annum, it would appear that the potential of the organic farming industry in Australia is only just beginning. Marketing is undoubtedly one of the keys to a successful organic farming system, according to Horsley (2000). Likewise, electronic market places (e-Markets) are among the most significant business channels the era of e-Commerce has produced. They bring together multiple buyers and sellers in a single application, where they can interact, negotiate prices and quantities, and allow free-market economics to rule.

Further, the very act of marketing is undergoing a transformation from broadcast marketing, which focuses on markets as large masses, to interactive marketing, where efforts are more customised and responsive to individual needs (Deighton, 1996).

It is the aim of this chapter to identify a series of vital issues relating to the Tasmanian organic industry's marketing methodology, both present and future intent. It is hoped that the identification of these issues will instigate discussion within the Tasmanian organic industry regarding their future marketing methodologies, especially as they pertain to the individual organic grower.

Research Discussion:

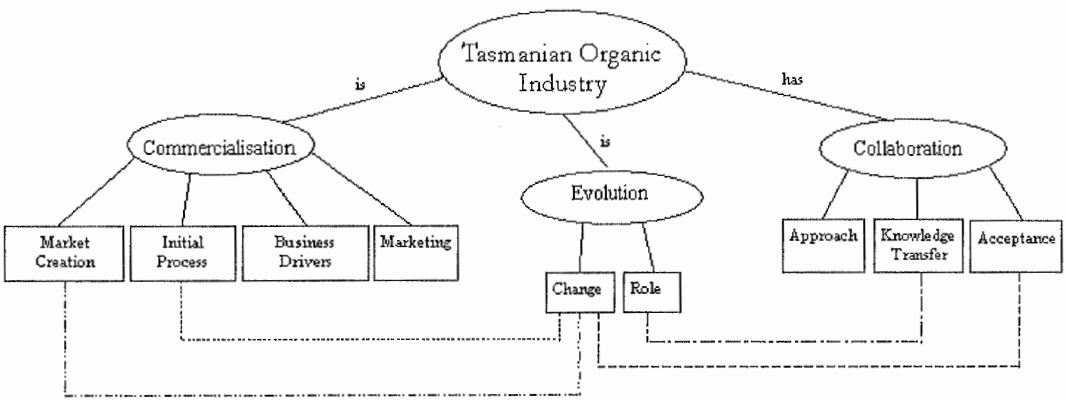

Figure 14: Coding Matrix

We are now seeing a transformation of the organic industry. To date it has been seen primarily as a small cottage industry, individually focussed but it is now moving to a broad-spectrum mainstream industry characterised by a diversity of produce and small, intermediate and large scales of production. So while the smaller labour-intensive organic operations supplying niché markets continue to thrive, larger scale organic operators are showing that mechanised broad-acre organic production for larger mainland and overseas markets is a profitable option for Tasmanian agriculture.

The presence in the market of a strong Tasmanian organic industry will only enhance the state's clean, green image further. Tasmania is well situated to develop a major organic industry because of our climate, our isolation and the diversity of our agriculture, and the rapid growth of our markets.

Undoubtedly, it is the commercialisation of the organic industry that is driving the evolution of the Tasmanian organic industry. The initial processes established within the organic industry will ultimately change, as figure 14 indicates. This will not mean necessarily the process of certification will change. Certification is a well-established

process and conforms not just to Australian standards but to International standards set by IFOAM. These changes will be seen in the initiation and formalisation processes that new growers undertake and will entail the utilisation of the new electronic media to source information on organic growing, establish trading relationships both locally and globally and create interactive e-Markets in which to sell their produce.

While the cottage-industry style marketing processes of farm gate and local market sales are likely to remain, especially for small quantities of niché product, there is an increasing need for the organic industry to develop a wider and more global approach to the advertising and sale of their produce. This is especially the case as the larger broad-acre growers produce increasing quantities of organic produce.

The process of market creation within the organic industry needs to change also. No longer is it possible, nor practical, to arrange the sale of an entire paddock of organic produce on a handshake and a nod. The industry must move its marketing processes into the 21st century and that will certainly necessitate the adoption of interactive marketing methodologies such as e-Marketing.

The expanding organic market is providing particular opportunities for Tasmania to develop, such as supplying fresh organic produce during the northern hemispheres off-season and maximising our image as a producer of high quality organic produce. However, none of these tantalising market opportunities will become available unless the Tasmanian organic industry advertises its produce effectively, and that means globally, through the conduit of e-Marketing.

There are also positive indications for downstream processing industries within the state as well. As more organic produce from these larger organic operations becomes available, processing and manufacturing industries are going to have significant reliable supplies enabling them to focus on downstream processing for larger markets. These downstream producers are certainly going to utilise whatever method of marketing

effectively gets their finished product out into the market place, and this will more than likely be e-Marketing. Further, there would also be positive spin-offs in other areas, such as Tourism. As a network of tourist-orientated organic enterprises develops, the organic industry can become a major tourist draw card for the state.

Acceptance within the industry, as previously mentioned, is a vital aspect of the Tasmanian organic growers industry. The organic industry has an obligation to accept the change that is happening and move into a new commercial focus that utilises e-Marketing as a best tool to assist in changing their marketing focus. I believe that the organic industry is ready for the introduction of such an e-Marketing system, as the current processes of evolution and commercialisation drive the industry forward into a new and exciting industry format.

Further, the Tasmanian organic industry has a well-developed system of knowledge transference in operation. New and existing growers are regularly in contact with one another at field days, industry sessions or simply by e-mail. This process of inter-industry education has made the Tasmanian industry a more cohesive collection of growers than possibly the organic growers on the mainland of Australia. Tasmanian growers are more aware of each grower's agricultural abilities and produce variety(s) than any other state's growers. This has set the scene for the introduction of an e-Marketing methodology into the organic industry and should be identified by the organic industry as an asset, worthy of maintaining and even expanding.

Interestingly, a pre-requisite for the effective utilisation of an e-Marketing methodology is the collaboration of all the members within an specific industry type.

The Tasmanian organic growers have such cross and inter-industry collaboration. This collaboration comes from the effective distribution of knowledge within the Tasmanian organic industry, and has established the foundations for the successful implementation of an e-Marketing methodology into the organic industry.

Whether we like it or not organics is being mainstreamed. The organic industry in Tasmania is moving into a new expansion phase in its development as existing growers increase production of high value products. The future looks bright but to realise its potential the organic industry needs accept that change is happening now and embrace it and its encompassing features, for example e-Marketing, otherwise the opportunity to partake in the global marketplace for organic produce will be lost, much to the detriment of the Tasmanian organic industry and the state.

Finally, commercialisation and all that it entails is driving the evolution of the Tasmanian organic industry, as graphically shown in figure 14. This should indicate that e-Marketing is the logical choice for the next stage of organic industry's marketing development.

Evolution is a fact for all industry. Industry either evolves positively or negatively, the choice often decided by whether an industry embraces the change, (i.e. IBM's movement from producing typewriters to leading the world in computer production) or whether the industry ignores them to their detriment. The Tasmanian organic growers industry has both commercialisation and evolution driving its remarkable growth. It is these two processes that have ensured an e-Marketing methodology was not only ready for acceptance into the industry, but a necessity.

Further Comments:

It should be acknowledged that Tasmanian organic growers have created a successful and viable industry through their radical approach to agricultural production. Now that this approach has influenced conventional farmers, it is essential that the Tasmanian organic industry develop a collective approach to keep organic production principles at the forefront of this movement, and to ensure that converted traditional farmers do not lose their way.

This will mean a broadening of the philosophical base of the industry -but just that - a broadening, not a compromise. After all, the organic industry is, by definition, a collective of individual growers who for philosophical, knowledge transference, acceptance and collective-voice reasons, unite. It is they who will ultimately gain from the advantages offered by an e-Marketing solution or subsequently lose through their own lack of marketing entrepreneurship.

Another pertinent issue is the level of computer expertise within the industry. Not surprising, the level of computer expertise required to establish and operate an e-Marketing model is quite high. Many converting farmers have come from a tradition of little or no computer use within their farming practices. However, it should be noted that this is changing very fast, almost as quickly as the technology itself.

Conversely, many philosophical organic growers are already part of the new technological age, possibly their younger age group reflecting an educational background with computers. Or it could be simply that being revolutionary in their approach to both life-style and farming techniques has led them to appreciate the computing technology available to assist their organic ventures. This group may not find e-Marketing as larger an issue to overcome, nor would the operation and maintenance of an e-Marketing system and all its intricacies present as many major hurdles in this regard.

Again the Pedersen (1999) research identified the lack of computer use as a major hindrance to the incorporation of e-Marketing into the Tasmanian Apple and Pear Growers, and again this is *not* the case with the Tasmanian organic industry. The Tasmanian organic industry has a history of utilising computing technology, both as a research tool in the production of organic crops and a means of communicating within the organic industry. Thus the inclusion of an e-Marketing system into the organic industry may not be as difficult as first conceived. Certainly, there are other marketing solutions available, but none that offers the flexibility, low implementation/maintenance costs and individuality that e-Marketing offers.

The study's literature review has outlined the operational requirements and subsequent opportunities that the CAPSICOM e-Marketing system can provide. Accordingly, it should also be noted that the development of CAPSICOM as a whole-of-industry e-Marketing solution relies solely on the motivation of organic growers within the industry, and whether they deem such a system to be viable, cost and time effective, and of course, apolitical.

This is not to say that individual growers, separate from a whole-of-industry approach, could not utilize CAPSICOM. The underlying e-Marketing model, that being the manufacturing e-Model, is structured to ensure that an individual grower can use this e-marketing conduit to distribute their particular produce on the Web – see Chapter 2 for more detail on the model.

Nonetheless, CAPSICOM was primarily developed to operate from within a central server, which in the Tasmanian context, could be provided by the recently formed OCT. This would, in turn, enable all growers regardless of their certifying body or business expertise, to access a practical, cost-effective e-Marketing system without farm size or political restraints.

All respondents had positive comments to make about CAPSICOM, based on viewing the system in a paper format only. Certainly, should the organic industry decide to use the process of e-Marketing, and this is one decision that the industry needs to make with haste, CAPSICOM appears to offer many benefits.

As mentioned in the literature review, an organic grower developed CAPSICOM for the organic industry. This fact alone should recommend it highly to prospective users, as who would better know the organic industry's peculiarities than a grower who was active within it. Further the practical application issues could be readily resolved within the Tasmanian organic industry through mediation by OCT and the certifying bodies.

Final Comment:

'It is an eventuality that e-Marketing will capture the largest proportion of the world's markets' according to Clarke (2001), and there can be no doubt that e-Marketing will be of immense benefit to the Tasmanian organic industry. The immediate commercial results to be gained from the use of a global yet individual marketing methodology such as e-Marketing cannot be understated. Taking Tasmania's unique clean and green organic produce to the increasing world markets can only be to the benefit of this burgeoning industry and the state of Tasmania as well.

Time and again we hear of rising global and national consumer interest in all things organic and accordingly there are as many marketeers, retailers and exporters who can see the dollar rewards of meeting such consumer desire. I have realised that the Tasmanian organic industry is in a unique position to wait and observe the rest of Australia as it embraces this organic marketing challenge, as the organic ideology is enveloped for good, or ill, by a dose of commercial reality.

But let's not wait to long! If Tasmania wants to catch the wave of opportunity so apparent at the national or even global level, we really need to show the world our first-rate organic produce – built upon a very strong ideological foundation yet able to cut it with the rest of the commercial world. To do this we need to open a door and let the mainland of Australia, and for that matter the rest of the world, see what we have to offer - and that door is e-Marketing.

Further Research:

This research has highlighted a number of factors that may be responsible for the lack of adoption of electronic commerce and e-Marketing in particular into the organic products sector. Consequently, further research will be necessary to gain a greater appreciation of these issues and how they will affect the individual grower and the organic industry as a whole.

Further research is needed into the question of:

The scope of the changes that are occurring, and will occur, within the organic industry as it comes to terms with its new national and global popularity and how this burgeoning industry will cope with success and the increasing demand for its product. This question could also contain sub-questions on:

a. The implications of a 'new' organic industry, and whether individual growers want/need to be identified as mainstream agricultural producers/suppliers and the reasons for this;

b. Whether a national organic industry marketing presence, such as the Australian Wheat Board or other examples, is feasible or even desired;

c. The implications of new marketing approaches on the organic industry and the changes to the supply chain structure of organic growers, as they move from small niche growers to larger broad acre growers; and

d. The implications of a changing internal structure and its incumbent social changes on the organic industry.

Certainly, the issues raised in the aforementioned questions are not a complete listing of the research potential within the organic industry, but establishing some basic premise (i.e. determining the future format of the organic industry) could be a good place to start.

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